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# THE CANADIAN

## APPAREL INDUSTRY

September, 1991

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INVESTMENT CANADA  
INVESTISSEMENT CANADA

## FOREWORD

### INVESTMENT CANADA

The Investment Canada Act is premised on the recognition that investment is central to economic growth, job creation and the key to technological advancement. For this reason, investment in Canada by both Canadians and non-Canadians is expected to bring benefit to Canada.

The Act replaces the Foreign Investment Review Act and establishes an federal Agency, Investment Canada, with a mandate to encourage and facilitate investment. At the same time it provides for a review of large acquisitions in Canada by non-Canadians to ensure that they are likely to be of benefit to Canada. For small acquisitions and the establishment of new businesses, non-Canadian investors need only notify the Agency of their investment.

With 126 employees, Investment Canada is organized into the following division: Investment Development; Investment Research and Policy; Investment Review; Office of the Corporate Secretary; and Corporate Services.

The Investment Development Division is the focal point for the federal government's efforts to promote and facilitate investment in Canada. It works with companies both in Canada and abroad to bring about beneficial investment in Canada by providing counselling, matchmaking, and other services to potential investors.

### The Canadian Apparel Industry Profile

The Investment Promotion and Services Group of the Investment Development Division prepared this report in response to an increase in the number of enquiries from Asian and European garment manufacturers interested in expanding their operations to North America.

This report defines the Canadian Apparel Industry in terms of its size relative to the total manufacturing in Canada, the number and distribution of establishments, employment, value of shipments, net income, investment in capital and volume of imports and exports. The overview of the Canadian apparel industry also touches on a section on the Canada-U.S. Free Trade Agreement including the rules of origin for textiles and clothing, rules regarding duty drawback, as well as the special rules for clothing.

The report contains a synthesis of government support including: government financing for business, regional development incentives, training incentives and federal government programs for export.

In addition, the report contains information prepared by the governments of British Columbia, Alberta, Manitoba, Ontario and Quebec and New Brunswick regarding the apparel industry in these provinces.

Finally, the Canadian Apparel Industry report contains a listing of trade periodicals, trade shows and industry associations.

## ADVANTAGES TO INVESTING IN CANADA

- \* Access to the entire North American Market.
- \* Small size of Canadian firms allows for greater flexibility and market responsiveness.
- \* Quality and service, true of Canada's acknowledged strengths can provide a real edge in opening up new markets.
- \* Canada's position inside the North American Trading zone provides a competitive pricing edge and short delivery schedule.
- \* An established stock of skilled workers and colleges which train excellent designers, pattern makers and other technical specialists.
- \* An environment where firms are welcomed for their complementary capacity and controls.
- \* Progressive management resulting in an industry free of labour disputes.
- \* A living environment which attracts and retains first rate management and technical personnel.
- \* A large well-established East Asian community.

## CANADIAN APPAREL INDUSTRY

### OVERVIEW

The Canadian apparel industry produces a wide range of fashionable, high quality garments mostly for the medium to upper price retail markets. It also produces functional garments for industrial and institutional users. The major processes in the production of clothing include: design, fabric sourcing, cutting, sewing and finishing. The industry's principal products consist of women's, men's and children's wear, leather apparel, furs, foundation garments and a wide range of knitted clothing such as T-shirts, underwear, gloves, sweaters and hosiery. This overview does not include the activities of the fur and leather apparel subsectors.

In the early 1970's the Canadian apparel market was less fashion conscious than it is today and price was a more important factor in the consumer purchasing decision. It was this factor which, in large part, prompted retailers to source an increasing portion of their inventories from low-cost countries.

Changing lifestyles and leisure activities have been largely responsible for the strengthening influence of fashion on consumer spending decisions. This is having a direct impact on apparel manufacturers. Since the start of this decade, apparel firms have come to be driven more by the demands of the market than by production or operation considerations, as was the case in the earlier years.

The last two decades have been a period of transition for the apparel industry. It has become more competitive in the face of steadily increasing pressure from low-cost imports. The industry's strengths - namely its diversified manufacturing base and product image, high product quality, imaginative fashion orientation, flexible and adaptive manufacturing plants and good profitability - have enabled it to maintain a core group of strong and viable manufacturing enterprises.

Canadian manufacturers, are continuing their adjustment efforts by investing in new technology, by reducing their costs, by improving their market position and service to customers, and by direct importing to complement their own domestic production.

In 1989, employment in the apparel industry represented approximately 5.25% of employment for all Canadian manufacturing sectors.\*

There is little upstream integration in the industry, with virtually all firms purchasing yarns and fabrics from textile mills. The clothing industry in Canada is an important customer of the primary textile industry, using about 45% of its output on a "fibre-weight" basis.

\* Source: Statistics Canada - 72-002

Ownership is predominantly Canadian. Most of the foreign-owned companies, account for less than two percent of the total number of firms, are part of multinationals that have established their own production facilities in Canada to serve the particular requirements of the Canadian market.

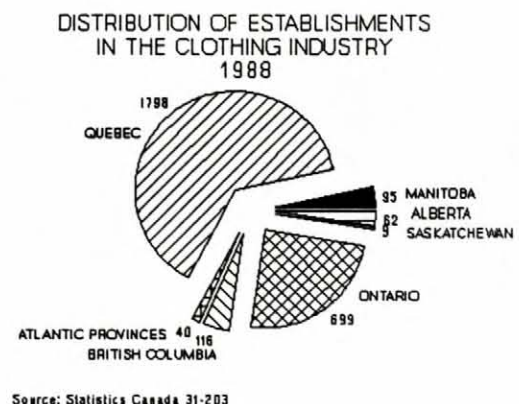
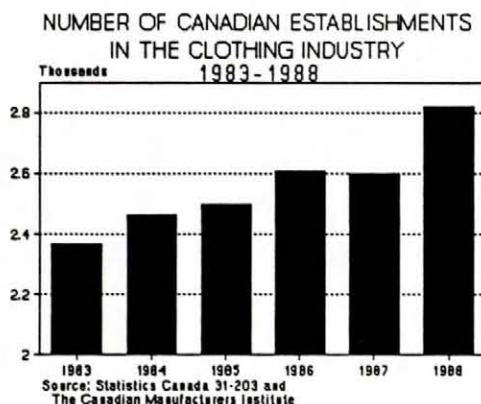
Over the six-year period (1983-1989) the clothing industry sector has experienced growth in a number of establishments, value of shipments, exports, net income and profitability.

## NUMBER OF ESTABLISHMENTS

In 1988, 85% of the clothing establishments were in Quebec and Ontario. The industry is dominated by small enterprises. Only 12% of the establishments employ more than 100 employees, but they provide only about half the jobs and value of shipments.

Over the six year period (1983-1988) the number of establishments in the clothing industry increased by 16%. The increases in the number of establishments were significant in the provinces of Quebec, Alberta and B.C. and more modest in Ontario, Manitoba and the Atlantic provinces.

Manufacturers have chosen to locate primarily in the large urban centres of Montreal, Toronto, and Winnipeg to be close to major markets and to pools of semi-skilled labour. Today, however, upward pressure on hourly wages in many of these areas is causing some firms to consider relocating to other regions where labour costs may be lower.

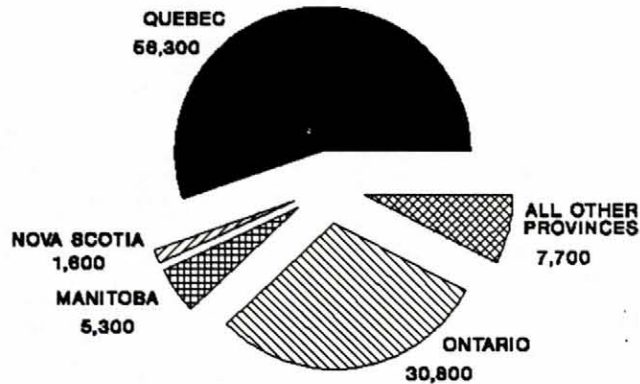


NOTE: The Canadian Apparel Manufacturers Institute estimate that there were: approximately 2,600 establishments in 1987.

## EMPLOYMENT

Clothing production accounts for eighteen, seventeen and six percent of all manufacturing employment in the metropolitan areas of Montreal, Winnipeg and Toronto, respectively. Quebec has many large contractors which cut and sew garments for others. In 1989, employment was distributed as follows: women's wear (33,500), foundation garments and knitting mill products (17,600), men's fine clothing (33,900) children's wear (6,800) and other apparel (9,900).

**DISTRIBUTION OF  
EMPLOYMENT IN THE CLOTHING INDUSTRY  
1989**

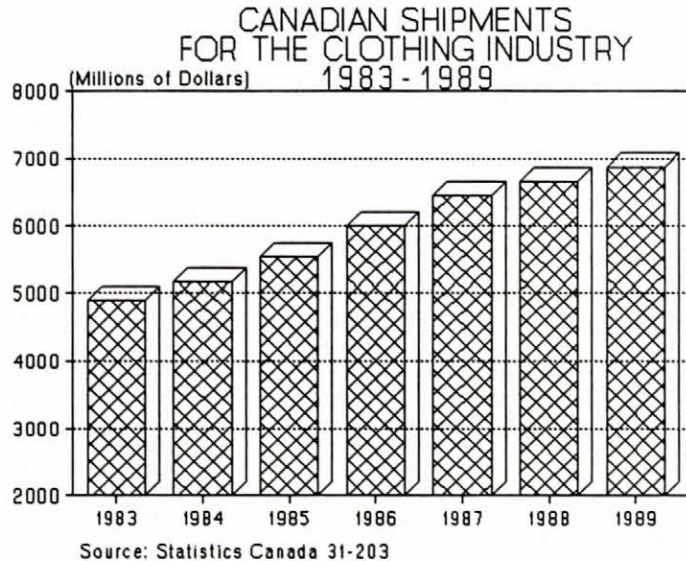


Source: Statistics Canada 72-002

## INDUSTRY PERFORMANCE

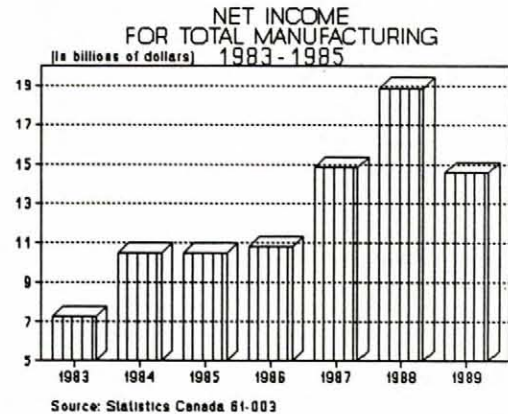
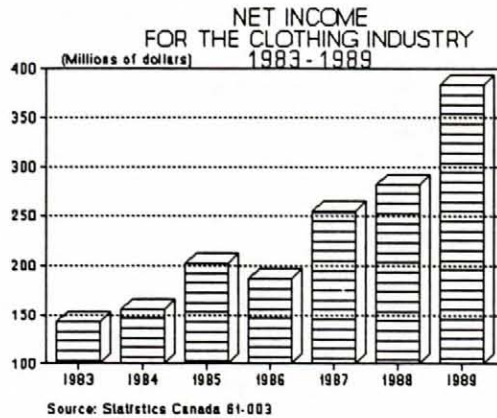
### VALUE OF SHIPMENTS, NET INCOME AND LEVEL OF INVESTMENT

The value of Canadian shipments for the clothing industry has increased by 28.8% over the six-year period of 1983-1989.



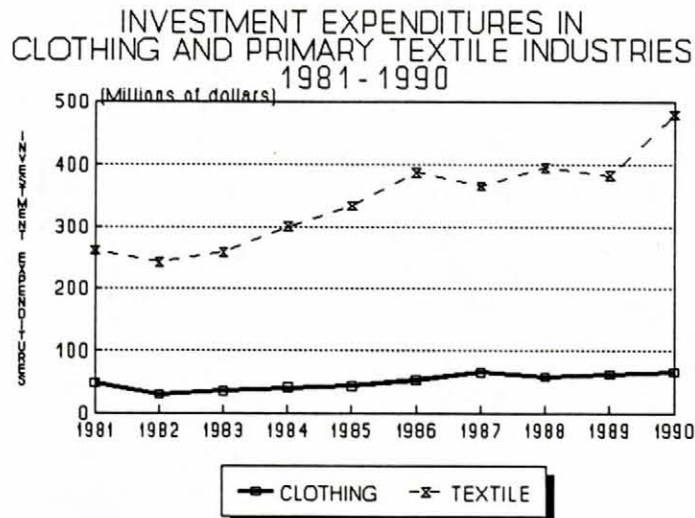
The industry has generally maintained its profitability and long-term debt to equity position over the past 10 years. The long-term debt-to equity ratio in apparel manufacturing has remained relatively low because of its lower capital requirements and reliance on short-term credit. After-tax profit as a percent of sales rose progressively from 3.4% in 1986 to 4.8% in 1989. This compares favourably to the "all manufacturing" category where after-tax profit as a percent of sales was 3.8% in 1986, 4.9% in 1987, 5.6% in 1988 and down to 4.3% in 1989.





This relatively good profit performance is largely attributable to the industry's low capital requirements and labour intensity, the strongly entrepreneurial character of its management, and the small size of the average firm. These factors have contributed to the industry's flexibility, allowing it to switch from one style (or product) to another as profitable market opportunities are discovered. Manufacturers are more averse to the long-term strategic reinvestment of profits and tend to concentrate on short-term tactical planning.

This is reflected in the following graph which depicts the level of investment expenditures by the industry from 1981-1990.



Japanese, European and American computer-assisted design and computer-assisted manufacturing technologies are being adopted at the design, pattern making and cutting stages of production.

New technology is now available that can improve the industry's ability to respond more quickly to changing consumer preferences. The more dynamic manufacturers are cooperating with retailers to improve their quick response capability by gathering consumer point-of-sale data using computerized bar-coding systems and electronic communications. The constantly updated information improves inventory control and reordering. When these relatively economical systems become fully operational in the coming years, they will provide manufacturers with important time advantages and cost savings to compete against low-cost imports.

The application of the more complex new technologies to apparel production offers the potential to change the industry gradually into a more capital-intensive one, in which developed countries can offset, to a limited extent, the wage advantage enjoyed by low-cost countries. Adoption of new technologies will likely accelerate industry restructuring to achieve greater scale economies. Nonetheless, the process will continue to be relatively labour-intensive.

## TRADE

### Canada-U.S. Free Trade Agreement

Under the Canada-U.S. Free Trade Agreement (FTA), tariffs will be eliminated over a period of 10 years. The FTA significantly improves Canada's access to the U.S. market when compared to the status quo. It is estimated that the negotiated tariff quota levels will provide manufacturers with the potential to increase their current level of exports to the U.S. **by a factor of six** without incurring Most Favoured Nation (MFN) duties. In addition, scale economies in that market and free access under the FTA to a wide variety of U.S. fabrics and yarns will help producers reduce manufacturing costs. Opportunities for exports are likely to be concentrated in fashion-oriented higher-quality outerwear, ladies' sportswear, coordinates, dresses and men's fine clothing.

Over the next four to five years export markets are expected to grow by an average annual rate of ten percent because of the FTA.\*

### Rules of Origin Textiles and Clothing

Not all trade between Canada and the U.S. is eligible for "free trade" rates of duty. In order to qualify, goods must meet the "rules of origin" specified in the FTA. These rules require a certain amount of Canadian and/or U.S. content in a product in order for it to be eligible for special FTA rates. If these content requirements are not met, regular (MFN) rates of duty apply.

The FTA rules of origin for both textiles and clothing are different from the rules for most other commodities. However they are similar or identical, in the case of clothing, to EC/EFTA rules of origin for textiles and clothing.

Most other goods qualify if the Canadian and/or U.S. content represents 50% or more of their total value and/or if they have undergone a "change of tariff classification" during part of their production or assembly process which takes place in Canada and/or the U.S.

Textiles and clothing must undergo specific production processes in Canada and/or the U.S. in order to qualify for FTA rates of duty. These processes are defined by reference in the rules to changes in tariff classification. However, there is no reference to a minimum "value-added" percentage, unlike other goods.

Apparel made from third-country fabrics, as a general rule, is not eligible for duty-free treatment under the agreement. However, there are significant exceptions to these rules of origin which allow large volumes of garments to qualify for FTA rates even if they are made from fabrics imported from a third country.

\* Canadian Textiles Institute Fact Sheet August 7, 1990.

In Canada, the annual Tariff Rate Quotas (TRQs) for "non-wool" and "wool" garments are 50 million square yard equivalents (SYEs) and 6 million SYEs, respectively. Both are many times higher than current levels of Canadian garment exports to the U.S., and as a result, were only minimally utilized during the first year of FTA implementation. The large size of these TRQs will allow Canadian garment producers to substantially increase their exports to the U.S. using third country fabrics.

In the U.S., the annual TRQs for "non-wool" and "wool" garments are 10.5 million SYEs and 1.1 million SYEs, respectively.

There is no scheduled expiry data for these TRQs applicable to clothing.\*

### **Rules Regarding Duty Drawback**

Current customs practice enables Canadian and U.S. manufacturers using imported input materials to claim a refund of any duties paid on these materials if the goods they make out of them are subsequently exported. This is known as "duty drawback".

Under the FTA, manufacturers will no longer be able to claim duty drawback for materials imported from third countries used in goods exported from Canada to the U.S., or vice versa, after December 31, 1993.

Duty drawback will continue to be allowed for materials imported from the U.S. used in goods produced in Canada which are then exported to the U.S. for the full 10 year FTA phase-in period during which duties are still payable (albeit at a reducing rate). The same applies in the U.S.

Duty drawback will also continue to be allowed for imported materials used in Canadian or U.S.-made goods which are exported to their countries.\*

### **Special Rules for Clothing**

The FTA contains an important exception to these duty drawback rules unique to two specific sectors: citrus fruits and clothing. These exceptions enable producers in these sectors to continue to take advantage of duty drawback in perpetuity for goods exported to the U.S. at regular (Most-Favoured-Nation) MFN rates of duty.\*

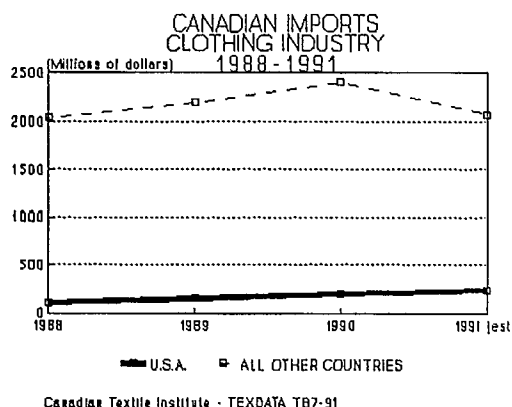
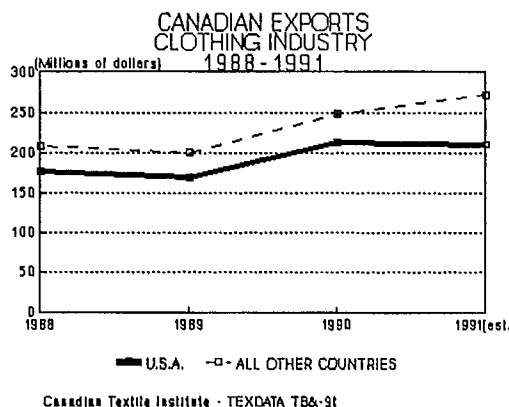
For more information on duty drawback, consult Article 404 of the FTA.

\* Canadian Textiles Institute Fact Sheet August 7, 1990.

In addition, both the Canadian and the U.S. have agreed to move toward harmonizing their regulations in such non-tariff areas as the flammability and labelling of clothing.

The apparel industry already competes effectively against imports from developed countries for products in the medium- to higher-priced ranges. The adjustments that will be encouraged by the FTA and trade liberalization following the MTN can only improve a generally favourable position despite an increase in the level of competition by foreign garment producers in the Canadian market. It will also enhance access to the U.S. and other foreign markets and offer domestic producers an opportunity to develop production structures and marketing capabilities that will contribute to the improvement of their competitive position.

Under the current U.S. duty structure, Canadian apparel manufacturers have shown that they can compete in specific segments of the U.S. market, and will likely continue to be competitive with American manufacturers over a wide range of product lines. Canadian manufacturers will have access to apparel fabrics at the same price as U.S. firms when the FTA tariff reductions are fully implemented.



Note: The figures for 1991 are estimates based on the data for the period of January to May 1991.

## FEDERAL GOVERNMENT SUPPORT

This section consists of a short description of the various federal government programs that are available to qualified investors in the apparel industry.

While we have attempted to ensure accuracy and completeness of this section, programs described herein were in effect August 1, 1991 but are subject to change without notice. Therefore, the section should be used as a guide only.

Contacts for all programs are listed. However, if you require more detailed information, the Investment Promotion and Services Group will be pleased to answer your queries.

## GOVERNMENT FINANCING FOR BUSINESS

The FBDB offers two principal services to Canada's business community: financial services such as loans, loan guarantees, and venture capital, and management services such as counselling, planning, training, and information.

### Contact:

Federal Business Development Bank  
Bank 800 Victoria Square  
P.O. Box 335  
Montreal, Quebec  
H4Z 1L4  
(514) 283-5904  
1-800-361-2126

### Small Business Loan Act (SBLA)

This Act helps small businesses obtain loans to finance specified fixed-asset needs, including purchase or upgrading of premises or equipment and purchase of land. These loans are made directly by approved lender to small enterprises, with ISTC providing for loss-sharing arrangements between the lenders and the federal government.

### Contact:

Industry, Science and Technology Canada  
Small Business Loans Administration  
Crown Investment and Guarantees  
C.D. Howe Building  
235 Queen Street  
Ottawa, Ontario  
K1P 6A5  
(613) 995-5771

## REGIONAL DEVELOPMENT INCENTIVES

**Program Name:** The Federal Economic Development Initiative in Northern Ontario (FedNor)

**Objective:** FedNor promotes economic development throughout Northern Ontario, including the districts of Parry Sound, Nipissing and points north, through loan insurance and contributions.

**ASSISTANCE:** All financial assistance can be stacked up to 75% of total capital costs.

**Capital cost financing:**

- Up to 35 percent of the capital cost (between \$25,000 and \$15 million) of starting, expanding or modernizing business.
- FedNor contributions of \$100,000 or less are not repayable.
- Contributions over \$100,000 are in the form of an interest free loan.

**Loan insurance:** - Up to 85 percent of loans for the establishment, expansion or modernization of commercial operations can be insured. Insurance is only available for loans covering capital costs between \$100,000 and \$15 million, with a term of no longer than 15 years. Furthermore, the insurance is provided only when the applicant cannot obtain reasonable loan financing from conventional sources. Many business sectors are eligible for assistance, including manufacturing operations.

**Other assistance:** - up to 50 percent of the cost (with a maximum of \$25,000) of a consultant's study pertaining to engineering and market feasibility and of the cost of a venture capital search.

- up to 50 percent of the cost (with a maximum of \$50,000) of a consultant's study related to improving productivity through expansion or modernization.
- up to 50 percent of costs between \$5,000 and \$50,000 for market research and analysis or participation in trade shows, seminars, or other marketing events.
- up to 60 percent of the cost of developing a new or improved product, process, or service;

- up to 50 percent (with a maximum of \$50,000) for a consultant to perform market research, identify sources of venture capital or study the feasibility of a project.

**Contact:**

FedNor  
 Queenscentre, Suite 106  
 473-477 Queen St. East  
 Sault Ste. Marie, Ontario  
 P6A 1Z5  
 Tel: (705) 942-1327 or 1-800-461-6021 (toll free)

**Program Name:** Atlantic Canada Opportunities Agency (ACOA)

**Eligible Projects:** Provides financial assistance that contributes to the establishment, development, support and promotion of small and medium-sized enterprises. The sectors eligible for assistance under the ACOA Action Program include the following:

- manufacturing and processing industries;
- business services;
- commercial research and development organizations;
- repair and maintenance services;
- services related to mining
- freight forwarding; and
- storage and warehousing

**ASSISTANCE**

**Contribution:** For projects up to \$200,000 in eligible costs, depending on evaluation of viability and economic benefit:

- up to 50 percent of capital costs may be available for new facility establishment.
- up to 30 percent of capital costs may be available for expansion or modernization of existing facilities, including replacement or relocation.

For projects between \$200,000 and 10 million in eligible costs:

- up to 25 percent of eligible costs to a maximum of \$500,000 may be available.

This assistance does not apply to mergers, acquisitions or refinancing.



**Loan Insurance:** When you can't get adequate funding from a financial institution for your project with eligible costs up to \$20 million, the ACOA Action Program may provide loan insurance for 85 percent of eligible loans for new capital investments to help you get started. Applicants are not eligible for loan insurance unless the loan is at least \$100,000. Loan insurance is not available for mergers, acquisitions or refinancing.

**Contribution  
toward Interest  
Costs:**

Projects up to \$20 million in eligible costs may qualify for contributions toward interest costs. The ACOA Action Program may actually reduce the interest rate on your new business term loans by as much as 6 percentage point for a period of up to seven years.

**Contact:**

Atlantic Canada Opportunities Agency  
19th Floor, 770 Main Street  
P.O. Box 6051  
Moncton, New Brunswick  
E1C 9J8  
Tel: (506) 857-6523 or  
1-800-561-7862 (toll free)

**Program Name:** **Western Economic Diversification Canada**

**Objective:** Western Economic Diversification Canada (WD) encourages economic growth in western Canada, including British Columbia, Alberta, Saskatchewan and Manitoba, by providing financial assistance for projects that involve new products, industries, markets and technologies.

**Eligible projects:**

- new product development/commercialization;
- plant establishment;
- new market development;
- industry-wide productivity improvement; and
- feasibility studies involving new products expanded facilities, new technologies, industry-wide productivity improvements or new markets.

**ASSISTANCE** Financial assistance includes loan guarantees and repayable and non-repayable contributions. The levels of assistance and financing terms are determined on a case-by-case basis.

**Contact:** Headquarters  
Western Economic Diversification Canada  
Canada Place, Suite 1500  
9700 Jasper Avenue  
Edmonton, Alberta  
T5J 4H7  
Tel: (403) 495-4164

**Program Name:** **Canada-Quebec Subsidiary Agreement on Economic Development**

**A) The Manufacturing Productivity Improvement Program**

This program helps manufacturing and processing firms in specified regions of Quebec improve their competitiveness in both domestic and international markets through the use of modern technology.

**Contributions for Consulting Studies:**

Provides up to 50 percent of the cost of hiring a consultant develop a marketing plan: conduct market, feasibility or productivity improvement studies search for venture capital.

**Contributions for Acquisition of New Product Machinery:**

Can cover up to 25 percent of new machinery, equipment or systems incorporating modern technology leading to improved productivity, quality and state-of-the-art facilities. Project costs must be at least \$50,000; contributions do not exceed \$1 million.

**Applicable areas:**

Quebec-Sud, Estrie, Montérégie, Lanaudière and Laval. Certain parts of these regions are also included: Quebec, Mauricie-Bois-Francis, Montreal, Laurentides and Outaouais.

**B) The Enterprise Development Program****Objective:**

The purpose of the Enterprise Development Program is to promote entrepreneurship, improve the competitiveness of manufacturing and processing firms operating in the resource areas of Quebec, and encourage diversification of the industrial base.

- Eligible projects:**
- Studies;
  - Establishment, Expansion or Modernization of Enterprises;
  - Common Services;
  - Marketing, Commercial and Technological Prospecting;
  - Business Development.

- ASSISTANCE**
- 75% of the cost of consulting services (to a maximum of \$8,000);
  - 50% of the capital costs of a project, excluding land (to a maximum \$2 million);
  - 50%, 33.5% and 25%, respectively, of operating costs during the first three years (to a maximum of \$150,000 per year) and 50% of the capital cost of the pool assets for establishing services common to commercial enterprises in an eligible sector; and
  - 50% of costs incurred for market research and analysis, participation in trade shows, conferences and travel for the purpose of technology transfer, raising capital or assessing joint venture opportunities (to a maximum of \$750,000).

**Contacts:** Industry, Science and Technology Canada  
Suite 3800, 800 Victoria Square  
P.O. Box 247  
Montreal, Quebec  
H4Z 1E8  
Tel: (514) 283-8185

## **TRAINING INCENTIVES: THE CANADIAN JOBS STRATEGY**

The Jobs Strategy comprises of six programs which are intended to be a collection of tools available individually or in combination to respond to client's needs:

- Skill Investment
- Skill Shortages
- Job Entry
- Community Futures
- Job Development
- Innovations

### **Skill Investment**

Provides training and retraining to facilitate adaptation to new types of jobs. Also provides a relocation assistance plan and a work-sharing compensation plan for workers to cushion the impact of layoffs or reduced wages. Employers and employees plan the training programs while the federal government subsidizes training costs and wages. Federal assistance for training can last up to three years. Five different options are available under this program.

### **Job Entry**

The Job Entry program specifically targets youth, women, students and the severely unemployment-disadvantaged persons. Provides on- and off-the-job training and work experience for persons who face significant barriers in securing and maintaining employment. Operating and training costs are paid to co-ordinators. Business, labour, community groups, the public sector, and individuals are among those who can act as co-ordinators. Income support in the form of a training allowance or unemployment insurance benefit may be provided for participants.

### **Job Development**

Designed to help the long-term unemployed to take advantage of the opportunities available in the labour market. The Job Development Program subsidizes the cost of training and work experience for individuals who have been unemployed for 24 of the previous 30 weeks, particularly members of established target groups: women, disabled persons, native peoples and visible minorities. Project proposals are submitted by businesses and non-profit organizations, and must create three or more subsidized jobs lasting between 16 and 52 weeks.

### **Skill Shortages**

Provides financial assistance to employers to train workers in skills that are in short supply and high demand. Assistance for training under the program may last up to three years. An employer can train current employees or ask the CEIC to refer qualified candidates who can be hired and trained.

## **Innovations**

The Innovations Program is designed to provide financial assistance for pilot and demonstration projects which test new and cost-effective ways to improve the functioning of the Canadian labour market.

## **Community Futures**

Helps communities adapt to a changing economic environment and explain permanent employment. Eligible communities are those outside metropolitan areas facing chronic high unemployment or a major permanent layoff. Through a local Community Futures committee they can obtain five different forms of assistance: services and loans to small businesses; income support to unemployed who are establishing their own business; relocation and exploratory assistance; institutional training to workers to meet skill needs and to increase prospect of employment; and support for innovative proposals from the Community Futures Committee for stimulating growth and recovery.

## **TRADE: FEDERAL GOVERNMENT PROGRAM FOR EXPORT**

### **Sources of Federal Export Assistance**

The Department of External Affairs and International Trade in Ottawa, together with its global network of 97 trade offices staffed by trade commissioners, is the best source for information on tariff and trade negotiations and on opportunities and competition in world marketplaces. It identifies opportunities for foreign capital projects and, with appropriate assistance from ISTC's regional offices and industry sector branches, helps Canadian firms to take advantage of them. It also makes exporters aware of the requirements of the Export and Import Permits Act. Companies may obtain direct information about the EAITC's programs and services by phoning Info Export/Ottawa: (613) 993-6435, toll-free 1-800-267-8376.

### **Program for Export Market Development (PEMD)**

PEMD IS A COST-SHARING program designed to increase exports of Canadian goods and services. It offers assistance to Canadian businesses that undertake or participate in various types of export promotion activities, e.g., recognized trade fairs abroad; market identification; hosting visits of foreign buyers; project bidding; establishment of permanent sales offices abroad (except in the U.S.A.); marketing agreements (for medium-sized businesses); organizations, marketing boards and agencies; and trade missions organized by the federal government.

To be eligible applicants must be one of the following: an incorporated business; an independent firm of professionals; a non-sales organization, association, marketing agency or board specializing in food, agriculture or fish; or a national private-sector non-profit trade organization or association.

### **Export Development Corporation (EDC)**

Export Development Corporation is a Crown corporation providing insurance, guarantees and financing facilities to help companies selling Canadian goods and services abroad. To meet insurance needs, EDC offers a broad range of products for both small and large exporters. The widely used product, export credit insurance, provides exporters with protection against non-payment by foreign buyers. EDC also offers insurance for new investment made by Canadian businesses in foreign markets, as well as bonding surety services for Canadian exporters bidding on export contracts. For more information contact (613) 598-2992.

## BRITISH COLUMBIA APPAREL INDUSTRY\*

### OVERVIEW

The roots of British Columbia's apparel industry can be traced back to the late 1800s with the production of sails, rough canvas goods and garments for workers in the province's resource industries (e.g., miners, loggers, fishermen). Today it is a sophisticated export-oriented industry characterized by high fashion, attention to detail and quality.

The sector includes companies that design, manufacture and market proprietary brand clothing and/or undertake contract and private label manufacturing of clothing including: children's wear, ladies' sportswear coordinates, coats, knitwear, leatherwear, men's wear, high-end silk lingerie and loungewear, and bridal wear.

The British Columbia apparel manufacturing sector consists of more than 100 firms with over 4,500 employees. Fifteen companies account for about 50% of industry sales. In the last years, total annual sales in the industry have doubled to \$270 million while employment has increased by 50%.

While the industry is concentrated in the Greater Vancouver area, significant production capacity also exists on Vancouver Island and in the Okanagan region.

**TABLE 1**

### BRITISH COLUMBIA'S APPAREL INDUSTRY ANNUAL PRODUCTION - MAJOR CATEGORIES

CATEGORY	CANADIAN DOLLARS (MILLIONS)/YEAR.
Ladies' sportswear/coordinates	\$130
Outerwear	42
Leatherwear	19
Knitwear	13
Denim jeans	10
Lingerie/loungewear	10
Men's wear	7
Miscellaneous (including activewear, T-shirts, children's wear, fleecewear, embroidery, cresting and contract sewing)	30

\* This document was prepared by the Ministry of International Business & Immigration of British Columbia.

A recent survey determined that about 21% of B.C.'s apparel manufacturers have mainly high-tech equipment; 46% have mainly low-tech; and 33% have a blend of high and low-tech equipment.

A number of factors have contributed to the development of the sector in British Columbia including:

- \* Geographic location which facilitates the acquisition of raw materials from Eastern Canada and Asia and the shipping of finished products to U.S. markets in the south.
- \* A record of "high end" niche marketing, attention to detail and quality resulting in less dependence on economies of scale and labour costs which are a reasonable proportion of total costs.
- \* A reputation of fast response times to retailers looking for new or specialized merchandise.

## **MARKET OVERVIEW**

Today's retailers are increasingly demanding quick response to their needs. High quality fashion buyers frequently require relatively small order quantities very quickly. They are less price sensitive and highly quality conscious. For the manufacturer, proximity to its customers, effective marketing and management, and a skilled labour force often become more important than the traditional advantages of a low labour cost location and mass production.

This has been the experience of the British Columbia apparel industry. Their strategy combines low volumes and upper end pricing, support by high quality and innovative design. Economies of scale are less critical. As a result, British Columbia manufacturers compete favourably with imports from developed countries in the medium to high price niche markets.



## INVESTMENT OPPORTUNITIES

The British Columbia apparel industry is rapidly moving out of its formative stage. With the opening of the U.S. market, export potential and investment opportunities will increase dramatically. Some of the identified opportunities are:

- \* Private label manufacturing contracts with U.S. retailers and manufacturers. The favourable rate of exchange of the Canadian dollar, reduced lead time for ordering and reduced shipping costs.
- \* Joint ventures with existing manufacturers who have good products and local market knowledge, but lack expansion capital and international marketing connections.
- \* Manufacturing for specific market niches based on a geographic region (e.g. the Pacific Northwest), a specific product, a unique customer base (e.g. public sector), novel applications, major design emphasis or other dimensions which represent substantial scope and also limit competition by differentiation.
- \* Transferring existing offshore production to better serve North American customers. In British Columbia, this would likely result in import replacement.
- \* Upgrading good-quality "cottage scale" weavers, sewers and knitters into good workers have traditionally been available in British Columbia. These include cutters, pattern makers, pressers and sewing machine operators. The rapid growth of the apparel industry created a large demand for skilled workers and this may lead to short-term labour shortages. Industry and government are working to address this.
- \* Knitted cotton T-shirt manufacturing.
- \* Establishment of a small-scale textile knitting mill.
- \* Improving the quality of local raw wool.

Rapid growth in apparel manufacturing has resulted in indirect or "spin-off" opportunities as well, including:

- \* Textile manufacturing to supply Western Canadian customers as well as export markets.
- \* Manufacturing of findings and other inputs (e.g., buttons, zippers, lining, etc.) for the domestic apparel industry and export markets.
- \* Equipment support and repair for the clothing and textile industries.
- \* Yarn spinning.

- \* Small-run fabric printing.
- \* Training for sewers, cutters, finishers, etc.
- \* Fabric laminating
- \* Design services, such as colour photocopying, CAD (computer-assisted design) for fabrics, etc..
- \* Specialty trim manufacturing.
- \* Dying of textile from greige goods (uncoloured fabric).
- \* Industrial laundry services.
- \* Manufacturing of ornamental accessories, such as embroidery, crests, etc.
- \* Specialized transportation services for the industry.

## LABOUR

Since most British Columbia companies specialize in the quality market, their employees tend to be highly skilled. Generally, manufacturers create and run their own skill development programs for machine operators. Several local colleges provide comprehensive training in fashion, pattern making, drafting, design, computer-assisted design and other technology-driven innovations related to garment manufacturing.

Good workers have traditionally been available in British Columbia. These include cutters, pattern makers, pressers and sewing machine operators. The rapid growth of the apparel industry created a large demand for skilled workers and this may lead to short-term labour shortages. Industry and government are working to address this.

Less than 25% of the 4,500 member work force in the garment industry in British Columbia is unionized. Only three unions (United Garment Workers Union, International Garment Workers Union and Amalgamated Clothing and Textile Workers Union) are represented in the sector.

Union membership is concentrated in the largest manufacturing firms. These factories employ state-of-the-art technology, are competitive with other Canadian apparel manufacturers and are recognized as being the most modern in North America.

The work force, whether unionized or no-unionized, is stable and efficient. There is no record of labour disputes in the garment industry in British Columbia.

## UNION WAGE RATES - FALL 1989\*

Operator	Rate per hour
<b>A. Cut and Sew Operations</b>	
Machine Operator	
Skilled	\$ 6.49
Less skilled	\$ 6.42
Marker Maker	\$ 9.85
Cutter	
Number One	\$10.54
Number Two	\$ 9.79
Lining	\$ 7.50
Spreader	\$ 7.37
Head Bundler	\$ 8.40
Presser	
Final Presser	\$ 6.16
Under Presser	\$ 6.42
Other Operations	
Finisher	\$ 6.49
Final Inspection	
Trimmer	
Small Operator	
<b>B. Knit Operations</b>	
Trainees	\$ 8.00
Knitters	\$ 9.20
Knit Mechanics	\$12.00
Knit Technicians	\$14.43
Bundlers	\$ 7.50
* (non-union rates are similar)	

## CORPORATE TAXATION

New corporate taxes in British Columbia are low compared to other industrialized countries. This is due to Canada's tax incentives and depreciation rules. Basic taxation rates for incorporated and unincorporated manufacturers are as follows:

**Corporations** - In 1989, the effective rates for corporation income taxes, applicable to manufacturing/processing, are as follows:

### PROVINCIAL

General Business Rate	14.0%
Small Business Rate (*)	9.0%

(\*)

The Small Business Rate applies to the first \$200,000 of active business income of Canadian controlled private corporations.

## GOVERNMENT SUPPORT

Foreign businesses are encouraged to establish in British Columbia. A stable Provincial Government promotes initiative and growth and is highly supportive of further expansion in the apparel industry. Federal/provincial government assistance is available to firms which have the potential to make significant contributions to the province's economy or regional development objectives. Assistance is offered for employee training, factory modernization or expansion and market development. Most of the available federal and provincial government assistance programs fall under the following categories:

- Tax Incentive Programs
- Capital Assistance Programs
- Research & Development Incentive Programs
- Training Assistance Programs

TABLE 2

## CAPITAL ASSISTANCE PROGRAMS FOR MANUFACTURERS

PROGRAM	ACTIVITIES SUPPORTED	ASSISTANCE
Industrial Diversification Program	Secondary manufacturing/ High value-added processing Project size greater than \$2 million.	Loans with terms tailored to project requirements.
Small Business Incentive Program	Small & medium size B.C. firms. Manufacturing and processing. Maximum project size of \$2 million.	Up to 1/2 of capital costs. First \$50,000 interest-free; balance at 6%. Maximum loan size is \$500,000.
Western Diversification Program	Establishment/expansion of strategically significant industries.	Negotiable contributions and/or loans.

## USEFUL CONTACTS

### Government:

- Ministry of International Business & Immigration of B.C.  
770 Pacific Boulevard South  
Vancouver, B.C. V6B 5E7  
Tel: (604) 660-3998  
Fax: (604) 660-4092
  
- British Columbia Trade Development Corporation  
750 Pacific Boulevard South  
Vancouver, B.C. V6B 5E7  
Tel: (604) 660-4568  
Fax: (604) 660-2457
  
- Ministry of Regional Development of B.C.  
Economic Diversification Branch  
770 Pacific Boulevard South  
Vancouver, B.C. V6B 5E7  
Tel: (604) 660-4188  
Fax: (604) 660-3986
  
- Department of Industry, Science & Technology of Canada  
#900 - 650 West Georgia St.  
Vancouver, B.C. V6B 5H8  
Tel: (604) 666-0434  
Fax: (604) 666-8330

## ALBERTA APPAREL INDUSTRY\*

### OVERVIEW

Apparel manufacturing is the second largest consumer products industry in Alberta. It comprises some 150 firms, 3,000 employees, and has an annual revenue of \$150 million. Apart from about five large companies, the majority of Alberta clothing manufacturers are small firms employing fewer than 20 workers. Industrial uniforms, outerwear/skiwear, and high fashion clothing are the most prominent products manufactured in Alberta.

**TABLE 1**

### 1987 ALBERTA APPAREL MARKET

Apparent Consumption (Retail)	\$750 million	
Wholesale (at 50%)	\$375 million	
Local Shipments (including exports)	\$150 million	
Local Deficit	\$225 million	
<u>Distribution Channel</u>	<u>Approximate Purchases</u>	<u>Per Cent Of Market</u>
Chain Stores and Department Stores	\$263 million	70%
Independent Stores	<u>\$112 million</u>	<u>30%</u>
TOTAL	\$375 million	100%

Note: Local shipments include apparel exports from Alberta to other provinces and countries. The "local deficit" ignores exports, therefore it will be understated.

Source: Kurt Salmon Associates (SA), Apparel Industry Development Study, 1988

\*This document was prepared by the Alberta Ministry of Economic Development and Trade. The information contained in this profile is as current as possible. It is intended as a guide only and should not be relied upon as the only source of information for investment and business decisions.

In Alberta, the national specialty chains and the department stores share approximately 70% of the \$750 million retail apparel market. The most direct competition for the Alberta industry comes from the apparel manufacturers in central Canada, where much of the merchandise is contracted for manufacture and purchase by the chain and department stores. Most small Alberta manufacturers, faced with this centralized market, sell their products primarily to local independent retailers. As a result, Alberta-made products provide less than one-fifth of the apparel consumption in Alberta.

A recent study of the Alberta apparel industry identified the three best product/market opportunities as domestic and export contract manufacturing, domestic niche markets, and high-fashion exports to the United States. Opportunities in contract manufacturing include private labels for Canadian and U.S. specialty stores and department stores, mid-to-better priced style goods for Alberta designers, and mid-to-better priced garments for Far East Asian firms.

Potential domestic niche markets include active sportswear, children's wear, women's specialities, and protective wear. In high-fashion, potential export markets are specialty stores and regional department stores along the U.S. west coast, in the mountain region, and in the mid-west.

### **CALGARY'S APPAREL INDUSTRY**

The apparel industry is a growing contributor to Calgary's economy and comprises approximately 75 firms employing 1,500 persons.

The majority of companies are small and entrepreneurial and take advantage of their Alberta location servicing primarily local retailers and corporations.

Apart from about three large companies, (including Sun Ice) the typical Calgary apparel company has the following characteristics:

- Very small, employing under 20 persons
- Highly entrepreneurial, either high fashion, or producing special products for the lower market
- Versatile, capable of producing many styles from short runs
- Primarily an immigrant labour force.

The industry's revenues in Calgary are about \$60 million, including exports or less than 10 percent in total apparel consumption in the Province of Alberta.



## OPPORTUNITIES

There are three specific product/market opportunities for the apparel industry of Alberta that best exploit the City's competitive advantages:

\* Domestic and export contract manufacturing:

- Private labels for Canadian specialty chain stores
- Private labels for mid Western, Rocky Mountain, and Northwestern better department stores and specialty stores in the U.S..
- High-fashion and mid-to-better priced style goods for the designers of Calgary and Edmonton.

\* Domestic niche markets:

- Mid-to-better priced specialties for the Eastern Canadian specialty chains and department stores.
  - Active sportswear, stretch activewear, custom fleecewear, swimwear
  - Children's wear.
  - Women's specialties, Large women's clothes, maternity clothes, lingerie
  - Protective clothing (oil and gas industry)

\* High-fashion exports to selected regional U.S. markets:

- Women's dresses and blouses for specialty stores and regional department stores in the Pacific Northwest (Seattle, Portland), the West Coast (San Francisco, Los Angeles), the Mountain Region (Denver, Salt Lake City), and the Midwest (Minneapolis, Chicago).

## DOMESTIC AND EXPORT CONTRACT MANUFACTURING

Contract manufacturing represents the single largest opportunity for Alberta's apparel industry.

Major retailers trend toward private labelling and direct contracting is intensifying in Canada. There are additional opportunities to seek contracting capacity in selected garment categories for the Mid Western, Rocky Mountain, and Northwestern U.S. 46% of all apparel manufacturers operating in Alberta today have a manifest need to contract work out. The designer community needs the production capacity and the manufacturing expertise of a reliable contracting sector. Some East Asian firms are currently searching contracting capacity in Western Canada, for the domestic market and for export to the U.S. market.

The forces driving these companies away from East Asia are: uncertainty about Hong Kong's long-term future; enforcement of import quotas into the U.S. market; maturity of the industry in East Asia, accompanied with rising costs. The forces attracting them to Canada are: ease of immigration relative to the U.S.; A large well-established East Asian community; the prospect of free access to the U.S. market; relative proximity and ease of access to East Asia.

A few manufacturers are already supplying Eastern Canadian based retailers successfully in selected niches. Although competitive pricing is certainly a consideration, the key success factors are: unique or scarce products; original design and styling; superior quality; responsiveness to consumer preferences; good performance characteristics. Those who have met certain criteria have received reorders; those criteria are: consistent quality; timely deliveries; ability to supply the required quantities.

The mid-to-better priced niches that have been identified as opportunities are the following: Active sportswear, swimwear, stretch activewear, custom fleecewear, women's specialties, large women's clothes, maternity clothes, better lingerie, children's wear, protective clothing. These niches are all growing faster than the average growth of the apparel market in Canada. Their import penetration is low, relative to most other garment categories.

These niches are currently undersupplied of the styling, quality and pricing available in Alberta. In some of the niches identified, growth is restricted by the limitations in installed capacity. An example of this is the large women's clothes segment, which is growing but where capacity remains flat and marginal. Another example is protective clothing: the government's Occupational Health and Safety branch is requesting that its usage be increased, and Alberta has a good experience base for it because of the traditional concentration of heavy users in the Province. In active sportswear, the local industry excels in producing better quality, high-style goods in the upper price ranges, and faces little competition in that area. The same can be said of children's wear and women's specialties.

## **ALBERTA DESIGNERS**

There is abundant design and styling talent in Alberta. There are about 700 trained apparel designers in Calgary of which 100 are active on a full-time basis. Their work is original and fashion forward, and several of them have gained international market recognition. The development of a Fashion District in Calgary, which is currently in the planning stage, will strengthen their capabilities.

## **AGENT**

An agent is someone who acts on behalf of someone else, and can often provide a great deal of expertise and assistance in increasing sales of a company's products. However, because of some of the legal implications attached to the term 'agent', a company must be certain it is not giving legal authority to someone to commit the company to matters it does not intend. The major difference between a distributor and an agent is that a distributor will normally purchase, warehouse, distribute, and sell the products he handles, while the agent is acting solely as a representative of the company who hires him.

Agents are located throughout the province, although a number of agents are located at the Alberta Fashion Centre in Edmonton. For more information, contact the Alberta Fashion Market Society or any Economic Development & Trade Office.

Alberta Fashion Centre  
10403 - 172 Street  
Edmonton, Alberta  
T5S 1K9

Alberta Fashion Market Society  
300L, 10403 - 172 Street  
Edmonton, Alberta  
T5S 1K9  
Ph: (403) 484-7541

The Alberta Fashion Directory, published by the Department of Economic Development and Trade, lists agents provincially. The directory can be consulted at any of the Department's offices or in the reference library at:

Alberta Economic Development and Trade  
8th Floor, Sterling Place  
9940 - 106 Street  
Edmonton, Alberta  
T5K 2P6  
Ph: (403) 427-4957

## LICENSES

The usual business licenses issued by municipalities are required for a clothing manufacturer. For information on a community's license requirements, contact the local municipal office.

## ALBERTA ECONOMIC DEVELOPMENT AND TRADE

### Business Counselling And Development

The Small Business and Industry Division of Alberta Economic Development and Trade offers free professional counselling services for small businesses in Alberta based upon a self-help principle. The Division's counsellors are thoroughly familiar with the needs and problems of operating a small business and are available to provide valuable advice and guidance.

### Head Office

6th Floor, Sterling Place  
9940 - 106 Street  
Edmonton, Alberta  
T5K 2P6  
Ph: (403) 427-3685

The Business Line (for general inquiries)  
Alberta (Toll Free) Ph: 1-800-272-9675  
Metro Edmonton Ph: 403-422-9494

## MANITOBA APPAREL INDUSTRY\*

### OVERVIEW

The province of Manitoba is located at the geographical centre of the North American continent. 1,100,000 Manitobans live within the borders of our 652,000 sq.km. province, with over 630,000 citizens residing in the capital city of Winnipeg.

Manitoba benefits from a strong economic position rooted in its solid foundation as a strategically located distribution and manufacturing centre.

Eighty million consumers live within a 1,600 kilometre radius of Winnipeg, which is located just 100 kilometres from the United States border.

Manitoba business understands the vital importance of today's global marketplace, and welcomes the new economic challenges and opportunities it offers. Manitoba is ripe with potential for dynamic industry with an imaginative approach towards growth and the future. From the garment trade to microelectronics and health care products, from agriculture to aerospace, Manitoba means business. Our goal and policy is to continue to attract new investors who, with confidence and foresight, can participate profitably in the expansion of our stable economy.

The Manitoba garment industry ranks as the third largest garment production centre in Canada, accounting for some 8% of national production. Within Manitoba, garment manufacturing represents about 15% of all manufacturing employment, with some 7,500 workers in nearly 100 factories.

The value of clothing shipments in 1989 was roughly \$420 million, and the industry expects continued increases despite the current slow down in the Canadian economy. Buyers across Canada, the United States, and abroad have traditionally looked to the Winnipeg market as a dependable resource for fashionable, quality garments.

About 90% of Manitoba garments are shipped outside of the province. International sales account for nearly 15% of shipments, primarily to customers in the United States.

Canada has enjoyed a surplus in the clothing trade with the United States since 1985. Over the next five years, annual growth rate of Canadian-made clothing exports are expected to grow by up to 10%. The value of the Canadian dollar against U.S. and European currencies contributes importantly to Canada's competitive position internationally.

\*This document was prepared by the Manitoba Industry, Trade and Tourism.

## INDUSTRY CHARACTERISTICS

The Manitoba Industry is characterized by large, modern factories, primarily owned and managed by local entrepreneurial families, many of whom are second and third generations. Many of these families were once European immigrants who brought their needle trade skills, energy and ambition, and chose Manitoba as their home. This entrepreneurial immigrant spirit is just as important today, and in particular, Hong Kong garment makers have established businesses in Winnipeg in recent months are becoming an increasingly significant segment of the industry.

Generally speaking, Manitoba's manufacturers are larger and more financially sound than the Canadian average. Most factories have adopted the latest equipment, technology and engineering systems, and several are considered to be amongst the most modern in North America. For example, in 1987, Canadian manufacturers invested \$55 million in buildings, machinery and equipment, a new record which exceeded by 44% the average annual investment performance of the previous four years; Manitoba manufacturers were well represented amongst these industry leaders.

Manitoba produces a broad range of clothing products, activewear and knitwear, casualwear such as jeans and jackets, military garments and gear, functional apparel for industrial and institutional users, leather and fur fashions, gloves, hats and caps, cresting and commercial embroidery and other accessories, as well as canvas and miscellaneous sewn products.

The Manitoba industry is progressive and dynamic and in constant search of new product development and market opportunities. Our industry's strengths include its diversified manufacturing base and product range, high quality standards, imaginative fashion design and flexible production operations.

Given the steady growth in the garment industry in Manitoba and Western Canada generally, potential exists for the production of speciality woven and knit fabrics in Winnipeg. Manitoba would be pleased to consider sharing the study cost with any prospective manufacturer to assess the feasibility of a textile production facility in the Province.

The industry is represented by an active association of manufacturers - the Manitoba Fashion Institute. The objectives of this organization are to foster and promote activities to enhance the viability and profile of the Manitoba industry. Its activities are primarily focused on four areas: government liaison; productivity and training; market development; and public relations. Manitoba Fashion Institute officers effectively represent their industry's needs and concerns through active participation on various industry and industry/government committees and boards, locally, provincially and nationally.

The Manitoba Government actively cooperates with the Institute and manufacturers individually to encourage continued growth and development. Both the Institute and the Province welcome new garment investment to preserve its position as one of Manitoba's most important manufacturing industries.

## LABOUR

To ensure an ongoing supply of skilled and semi-skilled workers, the industry has established a Human Resource Committee to work cooperatively with Employment and Immigration Canada. This Committee, which comprises management, labour and government representatives, is mandated to respond to the short and long-term labour needs of the industry at all levels of production and management.

## SKILLS

The Manitoba Fashion Institute sponsors training courses on a regular basis for sewing machine operators, mechanics, and supervisors, assembles and distributes technical information and arranges seminars for middle and senior management on current issues, technology advancement and other timely subjects.

The University of Manitoba offers industry-related course work in the faculties of Human Economy - Textile and Clothing Major; of Engineering - Industrial Engineering and of Commerce - Computer Science. The Industrial Arts programs in certain secondary schools also offer instructional courses in pattern making, production, sewing, cutting, computerized pattern grading and market making, while the Community Colleges work cooperatively with the Fashion Institute to provide needs-specific study courses.

## UNION

Approximately 60% of Manitoba's garment industry is unionized with 3 union organizations active: the International Ladies Garment Workers Union, Amalgamated Clothing and Textile Workers Union, and United Garment Workers Union.

Over the years, labour-management relations within the Manitoba garment industry, as with the majority of unionized work forces in the Province, has been excellent.

## WAGE RATES

**TABLE 1  
AVERAGE UNIONIZED PIECE WORK RATES**

MACHINE OPERATOR	
Skilled	\$ 7.00/hour
Unskilled	\$ 6.00/hour
MARKER MAKER	\$10.00/hour
CUTTER	
Number One	\$10.50/hour
Number Two	\$ 9.75/hour
SPREADER	\$ 7.50/hour
PRESSER	
Final Presser	\$10.00/hour
Under Presser	\$ 8.00/hour
OTHER OCCUPATIONS	
Finisher/Final Inspection	\$ 6.50/hour
Trimmer/Small Operators	\$ 6.50/hour
* Non-union rates are generally slightly lower	

## RESEARCH AND DEVELOPMENT

The Federal and Provincial Governments offer assistance programs to encourage manufacturers to undertake in-house Research and Development activity. Beyond this, a significant community-based R and D infrastructure exists providing expertise and services to respond to specific industry needs. In particular, R&D facilities are operated by government agencies and by the universities, which maintain strong linkages with the private sector to ensure that Manitoba industry maintains its competitive edge.

Private engineering consulting firms specializing in the garment industry are resident in Manitoba and available at favourable rates to assist in upgrading production efficiency levels and planning strategies for growth and development.

In October, 1990, the Manitoba Fashion Institute initiated a Productivity Centre Program in cooperation with federal and provincial governments, to provide specialized services to garment manufacturers in Manitoba and Western Canada. Services include technology research and development, and the establishment of a data bank of

technical and business information vital to the industry, particularly regarding latest development in new machinery, equipment and systems, etc. The Centre is located in Winnipeg's new Canadian Institute for Industrial Technology building constructed by the National Research Council to provide a facility unique to Canada to encourage and support private sector technology innovation, especially related to CAD/CAM, robotics and sensor development.

## **MACHINERY AND EQUIPMENT**

**Provincial Sales Tax:** A 7% sales tax is applied to the landed cost (i.e., the Canadian cost equivalent which includes freight, brokerage fees, packing, insurance, etc.) of any imported production machinery and equipment.

**Service:** There are several distributors and maintenance firms located in Winnipeg which sell and service all commonly used models of machines, equipment, accessories and findings needed by garment manufacturers.

## **ENVIRONMENT**

The province of Manitoba has guidelines with regard to emissions that are generally in line with those of Environment Canada and the Environment Protection Agency in the United States.

Any business locating in Manitoba which will discharge any contaminate into the environment must submit a proposal to the Environmental Control Branch of the Manitoba Government. The Minister responsible may approve proposals directly, or refer to the Manitoba Clean Environment Commission for further review.

## **CORPORATE INCOME TAX**

The effective rates of corporate income tax as applicable to manufacturing and processing in Manitoba are as follows:

General Business Rate	17%
Small Business Rate (*)	10%

\* Applicable to first \$200,000 of income

\*\* No tax to new corporation first year, increasing to 10% by year 6.



## **SALES TAXES**

The Manitoba Government presently imposes a 7% tax on all retail sales. This tax is collected once only from the ultimate consumer. Sales made outside of Manitoba are exempted from this tax. No sales tax is applicable on the materials used in the manufacture of goods for sale.

The purchase price of production machinery and equipment is subject to the provincial sales tax.

### **THE MANITOBA ADVANTAGE - Call us for details:**

**Manitoba Industry, Trade and Tourism**

**410 - 155 Carlton Street  
Winnipeg, Manitob  
R3C 3H8 Canada  
Tel: (204) 945-2456  
Fax: (204) 957-1793**

## ONTARIO APPAREL INDUSTRY\*

### OVERVIEW

The apparel industry is concentrated in the large urban centres of Metropolitan Toronto, Hamilton, and Kitchener. An estimated 66% of Ontario's sector employment of 34,000 is in the Metro area with apparel manufacturing being the largest single industrial employer in the City of Toronto. This distribution has not altered appreciably in the last 16 years.

Predominately Canadian-owned, the 577 manufacturers in Ontario represent 25% of the national total. The industry is highly fragmented with more than 80% of firms employing less than 100 employees. The relatively low start-up costs, in comparison to other manufacturing operations, is a major factor contributing to the preponderance of small firms in this industry sector.

There is very little vertical integration in the industry. The majority of firms purchase yarns and fabrics from textile mills; they design, cut, sew and finish garments, and they sell to their customers directly or through commissioned agents. A number of firms have factory outlets selling directly to consumers as a means to dispose of excess inventory and seconds. Very few firms have established their own retail outlets.

### INDUSTRY SHIPMENTS

Ontario's apparel manufacturing sector produces an extensive array of apparel products for the consumer, institutional and industrial markets. The industry's principal products consist of men's, women's, and children's clothing, foundation garments, knitted clothing, hosiery, and occupational clothing.

### HUMAN RESOURCES

The apparel industry generates employment for an estimated 34,000 people in the province of Ontario.

More than 75% of production workers are women born outside of Canada who are not proficient in English. They also have very little Canadian education or skills training.

Average hourly earnings are in the range of \$7.00 to \$9.00 per hour. The majority of production employees are paid piecework rates. Approximately 40% of Ontario's workers have union affiliation.

On-the-job training is the principal form of skills development/upgrading in this industry. Training of new employees usually consists of supervised demonstrations and monitoring by seniors. Common practice in large firms is to provide vestibule training.

\*This document was prepared by the Apparel Manufacturers' Association of Ontario/Ministry of Industry, Trade and Technology Liason Committee.

## **RAW MATERIALS**

The apparel industry in Ontario is heavily dependent on imported fabrics. On average, firms import 50% to 60% of their woven fabric requirements in order to meet the quality and product differentiation demands of their customers. In some sectors the percentage of imported fabric utilized is significantly higher.

## **TECHNOLOGY INFUSION**

To meet increasing competitive challenges, the industry in Ontario particularly large establishments, have been investing in new production process technologies to shorten production cycles and hence, improve productivity. Small to medium size firms have been lagging behind.

## **TREND TO HIGHER VALUE-ADDED PRODUCTS**

Ontario's apparel sector has been and appears likely to continue its quest to identify niches in the medium to high priced lines. This strategy will enable apparel firms to take advantage of greater product differentiation based on a quality image. Emphasis clearly will tend towards superior merchandising know-how and a focused promotion and marketing campaign.

## **SUB-SECTOR**

### **Menswear Clothing Sector**

The menswear sector includes manufacturers of mens and boys coats, suits and jackets, pants, shirts, and underwear.

### **Womenswear Clothing Sector**

The women's clothing sector includes establishments primarily engages in manufacturing outerwear, sportswear, dresses, blouses, shirts and activewear.

## **Designers**

Designers fall into three categories:

- 1) staff designers or stylists employed by manufacturers. They design garments under the manufacturer's own label.
- 2) designers working for manufacturers under a licensing agreement, receiving royalties on sales of garments produced under a designer label.
- 3) designers with their own manufacturing facilities operating independent businesses.

The first group has a typical employee/employer relationship. The third category tend to contract out 25-100% of their production.

## **Childrenswear Clothing Sector**

The childrenswear clothing industry includes establishments primarily engaged in the manufacturing of girls, childrens and infant clothing.

## **Occupational Clothing Sector**

This sector includes manufacturers of occupational clothing, careerwear, uniforms, medical clothing, and overalls.

## **Sweaters Sector**

The Canadian market for sweaters in 1986 was \$594 million. Ontario's share was 30% or \$177 million.

## **Hosiery Sector**

The hosiery sector includes manufacturers of hosiery, panty hose and socks for men, women and children.

## **Foundation Garment Sector**

The foundation garment sector comprises manufacturers of bras, girdles, and foundation garments.

## **Retailers**

The retailers interviewed comprised buyers, merchandise managers and quality assurance manager's representing major department stores, specialty chains and independents.

## THE METROPOLITAN TORONTO APPAREL INDUSTRY

The apparel manufacturing sector is an important contributor to the economy of Metropolitan Toronto. Most recent statistics indicate that in 1986 the industry was comprised of about 450 firms providing direct employment to about 21,000 workers in the Metropolitan Toronto. The majority of Metro Toronto's firms employ less than 50 people. However, there are 15 firms that can be classified as large, (over 200 employees) and a number of major international firms such as Arrow Shirts, Nygard International, John Forsyth, and Ports International have established their Canadian corporate headquarters in Metro. The value of clothing shipments in 1986 totalled just over \$1 billion.

### Industry Characteristics:

The apparel industry's strengths include:

- flexibility, due to expertise in short production runs
- design
- production of quality garments and,
- entrepreneurial management

Primary products manufactured by Metropolitan firms consist of mens, womens, and children's clothing; leather apparel; knitted clothing; and uniforms and occupational clothing.

Product lines are predominantly in the medium to high price categories and are comprised of:

- brand name or designer lines manufactured domestically and off-shore
- private label products made to retailers specifications and/or carrying the retailer's label, and
- U.S. or European labels manufactured under license.

A significant number of fashion oriented firms are based in Metropolitan Toronto. These are companies that are market driven competing more on the basis of style and quality rather than price. Producing higher value added apparel they have a tendency to be more export driven, and less affected by import penetration. Design capability and manufacturing flexibility are keys to establishing a niche in this competitive and constantly changing industry.

Metropolitan Toronto has a large contingent of innovative and unique designers operating their own businesses or working with manufacturers. As competition grows manufacturers are looking to unique design as one of the key components available to help differentiate their products from that of their domestic and international competitors. It is evident that these firms have the greatest opportunity to grow in Metro. The cost of doing business in a municipality such as Metropolitan Toronto has dictated that manufacturing done here be of comparatively higher value added.

The seven design schools in Metropolitan Toronto provide excellent training ground for potential designers. In an industry that thrives on innovation, flair and verve, Metro's multicultural environment provides a broad tapestry for developing design.

Most firms design, cut and sew their own goods or contract our manufacturing to subcontractors. While only a handful of Metro Toronto apparel firms are vertically integrated in terms of manufacturing and retailing, this appears to be a growing trend particularly in the fashion oriented segment of the womenswear sector. There is currently little upstream integration, virtually all firms purchase yarns and fabrics from textile mills.

## **USEFUL CONTACTS**

Apparel Manufacturers Association of Ontario  
33 Leacrest Road, Suite 6  
Toronto, Ontario  
M4G 1E5  
Tel: (416) 429-7184

Ministry of Industry, Trade and Technology  
900 Bay Street, 7th Floor  
Hearst Block, Queen's Park  
Toronto, Ontario  
M7A 2E1  
Tel: (416) 325-6887

## QUEBEC APPAREL INDUSTRY\*

### OVERVIEW

The Province of Québec accounts for over 60% of the manufactured shipments of the Canadian garment industry. Nearly 85% of the Québec total output is produced by factories located in Metropolitan Montréal.

Of Québec's more than 1,580 garment factories, over 1,200 are located in the Montréal region, where they provide employment to some 63,000 people. Montréal's garment district offers by far the largest pool of skilled needle trade workers in Canada.

Because of the quality of its workmanship and creativity of its fashion designers, the industry has been able to move up-market in response to pressure from imports of low and goods. Through this process, Montréal has enhanced its reputation as one of the leading fashion centres of the world.

Local designers who have joined forces with the most innovative manufacturers are competing effectively in the U.S. market and actively seeking new markets around the world, particularly in Europe and South-East Asia.

Many smaller communities around Montréal were established by the primary textile industry. Textiles and textile products still play a very important role in the livelihood of these communities in spite of a significant diversification of the Province's industrial base.

Québec plants are responsible for almost 50% of total Canadian shipments of textiles. Nearly 65% of these establishments are located within the Metropolitan Montréal area.

Capital investment intentions in 1991, province wide, amount to some Cdn\$ 110 million for the textile industry and Cdn\$ 53 million for the clothing industry (including knitting mills).

\* This document was prepared by the Economic Development Office of the Montréal Urban Community. It attempts to provide a comprehensive overview of the clothing industries in Québec and to highlight Montréal's strategic advantages in this sector. It is based on published statistics and intended to provide potential investors with some of the basic data required to develop their business plans.

## MARKET OVERVIEW

In 1991, the apparent Canadian market for garments was valued at Cdn\$ 8,970.4 million CDN\$. Imports held 32% of that market. The same year, 5% of the Canadian garment production were exported, mostly to the United States.

The gradual reduction of tariffs should make Canadian products more competitive on the U.S. market, suggesting substantial potential for an increase in export volume.

In Canada, labour legislations in this industry are under the jurisdiction of the provincial governments. In Québec, the Labour Standards Act states clearly the minimum obligations of employers. The total of these benefits as outlined below represents approximately 16% of gross wages.

## LABOUR

<b>Statutory Holidays</b>	8 days
<b>Annual Vacation</b>	2 weeks/4% after one year 3 weeks/6% after ten years
<b>Unemployment Insurance</b>	3.92% of wages (maximum insurable amount \$35,360)
<b>Health Insurance</b>	3.45% of total payroll
<b>Québec Pension Plan</b>	2.3% of salary (between \$3,000 and \$27,500)
<b>Workmen's Compensation</b>	the rate is usually between 1% and 3% of salary
<b>Labour Standards</b>	0.08% of salary (maximum insurable amount \$42,000)
<b>Collective Agreement Decrees</b>	0.5% of the wages of each employee subject to a decree

(These minimum conditions apply to all employers)

The regular work week in the manufacturing sector is usually 40 hours. Overtime work must be paid at time and a half and is mandatory after 44 hours. The minimum hourly wage as of June 1991 is \$5.30, with certain exceptions (employees who derive income from gratuities and domestics).



In certain industries like clothing, the working conditions are dictated by a special decree which spells out the obligations of the employees and employers. In some instances the obligations of the employers under these decrees are beyond the minimum conditions stated above.

While only about 50% of the workers in the textile and clothing (34%) industries are covered by collective labour agreements, all employers are subject to the conditions of the decrees where they apply.

Labour relations in the textile and clothing industries have been excellent with the number of days lost because of labour conflicts well below the average of the manufacturing sector.

**TABLE 1**  
**SOME MINIMUM WAGES**

	Men's Clothing (as of December 91)	Children's (as of January 92)	Women's (as of June 90)
Marker	\$11.30	\$9.87	\$12.52 (1)
Cutter	9.70	9.01	7.96 (3)
Piler	7.85	7.85	8.44 (2)
Sewer	7.85	7.85	7.96 (3)
Presser	7.85	7.85	7.96 (3)

(1) Class 1 cutter; (2) after 1251 hours; (3) from 1251 to 1625 hours

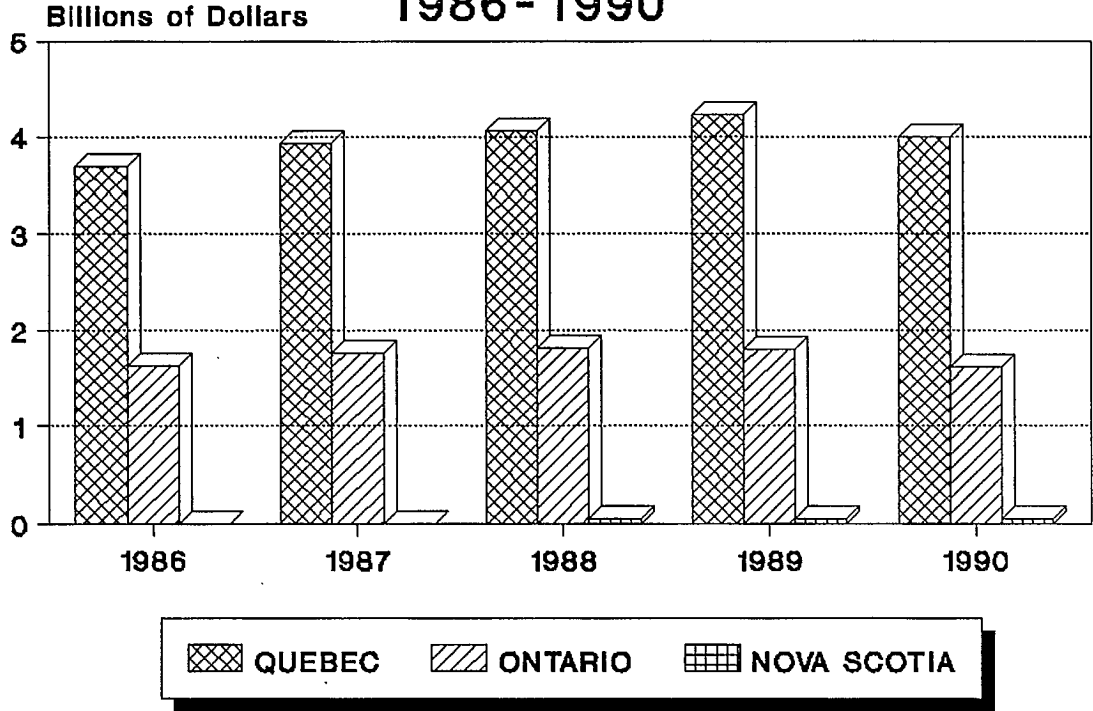
For further information on wages, reference to the various decrees is recommended.

### **FACILITIES & TAXES**

The rental price of industrial space is between \$45 and \$65 per square meter per year. Local taxes and occupation costs will add an extra 20% of the rental cost.

Corporations are liable for income taxes on corporate profits to both Federal and Provincial Governments. Taking into account special deductions to manufacturing and investment tax credits, the effective rate for most corporations is usually under 35%. A reduced rate applies to the first \$200,000 of profits of private small businesses controlled by Canadian residents. For these, the effective rate is approximately 16%.

# SHIPMENTS CLOTHING 1986 - 1990



Source: Statistics Canada 31-001

# NEW BRUNSWICK APPAREL INDUSTRY

## OVERVIEW

The Textile Apparel Industry in New Brunswick is not large and is mostly concentrated in the Northwestern part of the Province, the Edmundston area, where a number of apparel contractor companies employ over 1,000 people. There are other apparel contractors and apparel manufacturers scattered throughout the Province and a textile manufacturer open in Caraquet in June 1990.

The apparel contractors in the Northwestern part of the Province are mostly relocated Québécois who bring in truckloads of pre-cut material to be sewn in New Brunswick and return to the Montréal manufacturers. The first of these operations date back to approximately 30 years ago and is a shirt contractor manufacturer employing approximately 300 persons. The rest of the operations are smaller shops ranging from 30 to 100 employees. A labour force in this part of the Province is now saturated for this industry.

There is a great potential for the textile apparel industry in New Brunswick as this is an industry that is very labour intensive and the high unemployment areas of our Province, especially the Northeastern parts (the Acadian Peninsula) where there are a number of unemployed women (as ex-fish plant workers) who have good manual dexterity and a good base in sewing.

The Provincial Government is actively pursuing apparel manufacturer contractor operations to certain areas and in fact we have identified local entrepreneurs willing to invest in joint ventures with their partners providing the expertise and contacts in the industry. There is currently some activity in this regard with a few small plants having recently been opened.

## SUMMARY OF HIGHLIGHTS

**Land Costs:** Serviced industrial land is available in existing industrial parks for \$3,000 - \$40,000. per acre depending on location.

**Building Costs:** A number of buildings are available throughout the Province at reasonable prices.

**Employment:** The minimum wage in New Brunswick is \$4.75 per hour. Current pay scales for various occupations are listed in the labour section of this package. Some average salaries follow:

general manager:	\$40,000 - \$70,000/annum
engineers:	\$36,000 - \$56,000/annum
administration manager:	\$25,000 - \$55,000/annum
sales:	\$25,000 - \$55,000/annum
production workers:	\$ 6.00 - \$ 10.00/hour
secretary:	\$ 6.00 - \$ 15.00/hour

- Overtime Policy:** All hours worked in excess of 44 hours per week must be paid at time and one-half.
- Union Presence:** Approximately 26% of the New Brunswick labour force is unionized.  
Days lost due to work stoppages are typically very low in New Brunswick and might average 0.05% on an annual basis.
- Corporate Benefit Policy:** Social benefits in New Brunswick will cost the employer a minimum of 13%, by law. This includes Unemployment Insurance, Canada Pension, Vacation Pay and Workers' Compensation. Many employers will pay between 20% - 30 % depending upon the addition of special health/dental plans, company pension, etc.
- Provincial Taxes:** New Brunswick Corporate Income Tax - 16%  
Federal Investment Tax Credit - 15% (or) 30 %  
Property Tax is paid on the value of the land and building only.  
Provincial and municipal taxes total approximately \$4.00 per \$100 of assessed value.
- There are no sales taxes or manufacturing taxes on manufacturing operations in New Brunswick.
- Electric Power:** The Province of New Brunswick has excellent electric energy rates. Large industrial rates would be in the 4 ¢ to 6 ¢ per KWH range. Small industrial rates would be in the 5 ¢ to 8 ¢ per KWH range.
- Water:** Water charges vary, but on average \$1.25 per 1,000 Imperial Gallons can be used for estimating.
- Transportation:** The Interstate 95 connects the Province of New Brunswick with the New England market. There is a high degree of trade between New Brunswick and New England and trucking services are well established. The Trans Canada Highway connects all major cities to the Province of Québec.

## **SUPPORT PROGRAMS & INCENTIVES**

The overall responsibility of the Department of Commerce and Technology is the development of the manufacturing, processing and selected service sectors of the New Brunswick economy. To this end, a variety of programs and services are offered, some of which are described briefly below.

## PROVINCIAL PROGRAMS

### Financial Assistance to Industry:

Loans, guarantees and equity for small, medium and large companies. Interest rates in respect of direct loans can be negotiated. Forgivable loans based on job creation can be considered depending on the project.

### Venture Capital Support Program:

Interest-free loans for venture capital investment.

### Trade Assistance Program:

50% of eligible costs, per diem rates, and advisory assistance for trade activities.

### Production and Technical Support Program:

Financial and advisory assistance for production and product related activities.

### Management Services Program:

Financial and advisory assistance to upgrade the management function.

### Marketing Services Program:

Financial and advisory assistance for marketing activities.

### Self Start:

Financial assistance to "first time" entrepreneurs for small business establishment in the province.

### Government Purchasing:

Advice on provincial purchasing requirements and procedures, and assistance with registering to receive federal and provincial tender invitations.

### Stock Savings Plan:

This plan is designed to provide New Brunswick taxpayers with a tax credit on a portion of their investment in New Brunswick qualifying companies. Maximum tax credit available would be 30% of investment.

### Federal/Provincial Programs:

Financial assistance is also available under two federal/provincial subsidiary agreements administered by the Department of Commerce and Technology and the Atlantic Canada Opportunities Agency.

### The Canada/New Brunswick Subsidiary Agreement on Industrial Innovation and Technology Development

Financial assistance for eligible activities, which include: project development, project demonstration; first user risk reduction; R&D investment; technical audits, visits and studies.

Innovation Centre N.B.

Established under the Subsidiary Agreement on Industrial Innovation and Technology Development, the Centre provides advice to technology based ventures in the areas of start-up, production, marketing and financial assistance.

**TAXATION****New Brunswick Tax Payable:**

A Canadian resident (anyone who spends 183 days or more in Canada within a calendar year) must pay income tax on his/her world income, less deductions permitted in determining taxable income and reduction in taxes otherwise payable attributed to foreign tax credit. In New Brunswick, the Federal Government collects the Provincial share of income tax, hence only one income tax return must be prepared.

The "N.B. Income Tax" rate is 60% and is applied to "Basic Federal Tax".

<u>Taxable Income</u>	<u>Federal Marginal Tax Rate</u>
up to \$27,500	17% (66% of taxpayers)
\$27,501 - \$55,000	26% (29% of taxpayers)
\$55,000 and over	29% ( 5% of taxpayers)

**Taxation of Corporations in New Brunswick:**

The corporate income tax laws in Canada are divided into Federal and Provincial allocations. However, a taxpaying corporation residing in N.B. need only file one tax return with the federal Government of Canada, which is authorized to collect New Brunswick's share of income tax. This not only eases the burden of preparing income tax returns, but also facilitates tax planning, since a corporation only has to contend with Federal income tax rules. Companies are assessed on the basis of standard versus small business, with a special reduction for manufacturers.

**Corporate Income Tax:**

The Federal statutory corporate tax is 28%. The tax rate for manufacturing income is: 23%

The tax rate for small businesses and small manufacturers is 12%. Provincial Corporate Tax Rate: 16%.

**Provincial Sales Tax:**

11% on all items with some exemptions: clothing, footwear, foodstuffs, electricity, prescription drugs, farm machinery, certain education supplies, heating fuel, machinery and parts used in the manufacture of goods.

**Real Property Taxes:**

All real property (land and buildings) is subject to a provincial and municipal tax levy based on its classification, residential or non-residential. There is no business occupancy tax. The provincial residential rate is \$1.50 per \$1 00 assessed value; the non-residential rate is \$2.25 per \$100 assessed value. All assessments are at market value. Each municipality sets a rate for taxes annually. For all municipal taxes, the non-residential rate is 1.5 times the residential rate. For owner-occupied residential property located in a municipality, the full provincial property tax is offset by an equivalent tax credit. For those owner-occupied residential properties located outside municipalities there is a credit of 85¢ per \$100 of assessment.

**Foreign Tax Credit:**

Corporations which have foreign source income and are resident in Canada at any time in the year are eligible for a credit on foreign taxes paid. A credit is allowed against Canadian tax payable for the lesser of the foreign tax paid and the Canadian tax on the foreign source income.

**Goods And Service Tax:**

On January 1, 1991 Canada introduced a 7 % broad Based Goods and Service Tax (GST) to replace the 13 % Manufacturing Sales Tax. Manufacturers find that this tax is much easier to deal with administratively. Most goods and services are taxable but are eligible for equivalent tax credits until they reach the final consumer.

## Municipal Tax Structure:

The real property tax rates for Edmundston and Caraquet are listed below. The provincial residential rate is rebated on owner occupied dwellings.

1990

### Edmundston

<u>Rate/\$100</u>	<u>Residential</u>	<u>Non-residential</u>
Provincial	\$1.50	\$2.25
Municipal(inside)	1.2956	1.9434
Municipal(outside)	1.2030	1.8045
B.I.A.*	1.2956	2.1434
Assessment cost (prov.)	.02	.02

### Caraquet

<u>Rate/\$100</u>	<u>Residential</u>	<u>Non-Residential</u>
Provincial	\$1.50	\$2.25
Municipal(inside)	1.1444	1.7166
Municipal(outside)	1.2276	1.8414
Caraquet LSD	0.0383	0.0575
Assessment cost (prov.)	.02	.02

\*BIA Business improvement Area

## LABOUR

### Employment Standards Act:

The Act binds the Crown and applies to all employers and employees whose relations are subject to the authority of the Legislature. The definition of employee excludes independent contractors. Persons responsible for the employment of individuals in or about their private home (e.g. in a domestic service capacity) are not considered employers. Certain agricultural-related employment is excluded under the Act. Where a collective agreement expressly states that a benefit, privilege, right or obligation was agreed to in lieu of a provision of the Employment Standards Act, the collective agreement prevails.

### Minimum Wage and Minimum Overtime Rate:

Minimum wage: \$4.75/hr.

Overtime: time and one-half minimum wage for all hours worked in excess of 44 hours per week.



**Weekly Rest Period:**

24 consecutive hours per week.

**Paid Public Holidays:**

6 paid public holidays per year: New Year's Day, Good Friday, Canada Day, New Brunswick Day, Labour Day and Christmas Day.

Eligible employees are paid a regular day's pay for these holidays plus one and one-half times their regular rate for all hours worked on the holiday. (Alternate provisions are provided for employees who work in a continuous operation or in the hospitality sector). By agreement of the parties, another day must be substituted for the holiday.

**Vacation Time and Pay:**

4% for all weeks worked in excess of 24 weeks and, where this condition is met, vacation time of 2 weeks per year or 1 day for each month when the employee has worked at least 19 days monthly, whichever is less.

**Payment of Wages:**

Intervals between pays can be no longer than 16 days.

A statement covering each pay period must include the dates of pay period, gross pay, particulars of deductions and net pay amount.

Upon cessation of employment, an employer must pay an employee all outstanding pay no later than 21 days after the employee's last day of employment.

**Notice of Termination:**

Employees not covered by a collective agreement must receive 2 weeks written notice of termination where employed for a continuous period of 6 months but less than 5 years, and 4 weeks notice where employed for 5 years or more.

There is a provision for pay in lieu of notice.

Exception to the notice requirement is provided where an employee is laid-off for up to 6 days, where reasonable alternate employment was offered and where lack of work occurred for reasons that could not be foreseen by the employer.

Other main provisions of the Employment Standards Act include unjust dismissal, equal pay for equal work, maternity leave and security to resume work, employment of children and the prohibited use of lie detector tests.

**Industrial Relations Act:**

Under the Industrial Relations Act, every employee has the right to join a union and to participate in its lawful activities. Similarly, every employer has the right to join an employer's organization and to participate in its lawful activities. Employer may not attempt control over unions and employees may not attempt control over employers' organizations.

The Act provides procedures for the establishment of bargaining rights, discusses the effect of certification and the termination of bargaining rights where a trade union does not conclude a collective agreement within one year after certification or one year after the termination date of a collective agreement. Collective bargaining rights and responsibilities are outlined in the Act and measures to deal with negotiation impasses are provided including the Ministerial appointment of a conciliator or mediator.

The Act deals separately with bargaining rights in the construction industry. Every collective agreement must stipulate that there will be no strikes or lock-outs during the term of the collective agreement and that differences pertaining to the interpretation, application or alleged violation of the agreement will be settled through final and binding arbitration without stoppage of work.

The Industrial Relations Act contains provisions respecting successor rights, dispute settlements procedures, and procedures for lawful strikes and lock-outs.

**Occupational Health and Safety Act:**

Included are all employers except for private homes and places exempted by regulation. Employers of 20 or more employees are required to set up a joint Health and Safety Committee and file a statement (safety policy) with the N.B. Occupational Health and Safety Commission.

The Act gives workers the right to refuse unsafe or unhealthy work and bans discrimination against those who use that right.

Employers must compile data on hazardous materials in the workplace and provide this information to their workers.

**Workers Compensation Act:**

New Brunswick has a Workers Compensation Act, and a board to administer the Act. The Workers Compensation Board has a merit rating program which was introduced to provide an incentive to employers in select groups to become safety conscious. The Act provides for the reduction of assessment to employers whose accident experience is favourable, while the assessment rate for employers whose accident experience is unfavourable may be increased. The program is designed so that demerit charges approximately offset merit payments within each group.

**Company Pension and Medical Insurance Plans:**

An analysis of 374 collective agreements on file with the Department of Labour (from about 600 agreements in existence in the province) reveals that 47% contain a provision for a pension plan. In addition, a number of enterprises have pension plans which are not mentioned in their collective agreements.

Approximately 66% of the agreements on file contain some type of provision for a hospital insurance plan, and about 60% for weekly sickness and accident indemnity plan.

**Labour Organizations:**

Approximately one third of New Brunswick's non-agricultural labour force is unionized. Wages and working conditions for the organized sector of the labour force are determined through collective bargaining and, in most circumstances, these bargained conditions exceed the minimum standards established under the Minimum Employment Standards Act and the Minimum Wage Act. Approximately 52 per cent of the organized labour force are members of the New Brunswick Federation of Labour through their respective unions. Most unions in New Brunswick are affiliates of the American Federation of Labour Congress of Industrial Organizations (AFL-CIO) and the Canadian Labour Congress (CLC). For 1989, total union membership in 548 locals was 87,447 persons.

**Recruiting and Training:**

Assistance in recruiting workers is provided by Canada Employment Centres (CEC) at no charge to the employer. The employer submits a request to the local Employment Centre, giving job specifications and the number of positions to be filled. The CEC, on a self-serve basis, then matches suitably qualified workers with the employment opportunities being offered and refers these clients to the employer for interviews and final selection. While initial recruitment is on a local basis, the CEC will recruit provincially, regionally and nationally to meet an employer's needs. They will also, under certain circumstances, provide new employees or potential new employees with financial assistance to meet relocation and interview expenses.

The CEC offers a series of six programs each designed to respond to a specific labour market problem and decentralization of decision making to the regional and local levels. Two of the programs, Skill Investment and Skill Shortages, provide financial support to employers with training needs. Training may take place either on-the-job or at training institutions with CEC reimbursing part of salary costs of employees as well as most of the training costs.

The New Brunswick Department of Advanced Education and Training, through its Apprenticeship and Trade Certification Program, offers employees in New Brunswick the opportunity to become fully qualified and certified tradesmen in any of 65 trades.

This training, which has both 'on-the-job' and classroom elements, is supervised by the Apprenticeship and Trade Certification Branch of the Department of Advanced Education and Training. Costs for the classroom elements are normally paid for by CEC.

## LABOUR TRAINING ASSISTANCE

This assistance is available from the Canada Employment and Immigration Commission (federal) and the New Brunswick Department of Labour.

An assistance agreement can be negotiated; the level of assistance will reflect the completely of training needs. Programs are designed:

- 1) To send key people to other plant locations for training on company equipment and production methods. (50% travel and living expenses and 60% of wages).
- 2) To provide theoretical/classroom training at New Brunswick Community Colleges.
- 3) To provide on-the-job upgrading or retraining. (25% - 60% of hourly rate for agreed upon number of weeks).

## Land and Building Costs

New Brunswick has 48 industrial parks or sites.

A selection of fully serviced industrial acreage is available at costs which are among the lowest in North America. Choice properties are immediately available.

### Industrial Land Costs Per Acre

	<u>1989 (\$Cdn)</u>	
	<u>Low</u>	<u>High</u>
New Brunswick	3,750	23,000
Massachusetts, USA	57,000	525,000

Source: NB Commerce & Technology

### **Leasing of Industrial Buildings:**

Lease rates vary from \$4.50 - \$6.00 per square foot.

### **Cost Of Office Space per sq/ft**

	<u>1989 (\$Cdn)</u>	
	<u>Low</u>	<u>High</u>
New Brunswick	8.90	16.40
Massachusetts, USA	12.70	25.80

### **Construction of Industrial Buildings:**

An average cost on a new buildings can range from \$30.00 to \$45.00 per square foot depending on the type of building. More accurate quotations can be obtained upon presentation of building specifications.

## UTILITIES

### Telecommunications Service

The New Brunswick Telephone Company Limited is an investor-owned telephone company. N.B.Tel, through its own facilities and through interconnecting arrangements linking its system with the world's major telephone systems, offers complete communications services to all of New Brunswick. A province wide fibre optic transmission system has also been recently completed.

### Energy

New Brunswick power is abundant and inexpensive. Its varied sources (hydro, coal, oil and nuclear) have helped N.B.Power to achieve four consecutive years without a rate increase. N.B.Power rates are the lowest in the Atlantic region.

New Brunswick is a member of a grid of interconnected power systems in eastern Canada and the United States. It was the second largest exporter of electricity from Canada (in terms of dollars) in 1989. The province's nuclear power plant at Point Lepreau has the highest lifetime in-service efficiency ranking in the world.

The following table illustrates the comparative cost of electricity to business and industry across Canada and the average percentage cost increases over the preceding year and eight year period. Variations in cost are evident as utility rates are dependent primarily on the cost of the energy supplies being utilized for power generation and secondly, on the size of generating stations being employed and the extent of financial commitments for expansion.

#### Power Costs Per Month In Cdn\$

July, 1990

#### Small Industrial (\$) <sup>(1)</sup>

Canada & Eastern USA  
150 KW - 60,000 KWH/Month

#### Large Industrial (\$000) <sup>(1)</sup>

Canada & Eastern USA  
50,000 KW - 31,025 MWH/Month

PS New Hampshire	5287
Maine Power	5062
Boston Edison	4531
Newfoundland Power	4419
P E I Electric	4189
Nova Scotia Power	4180
Hydro Quebec	3848
Ontario Hydro	3614
<b>New Brunswick Power</b>	<b>3318</b>
Alberta Power	3035
British Columbia Hydro	2753
Manitoba Hydro	2620
Saskatchewan Power	2525

PS New Hampshire	2285
Maine Power	2106
Boston Edison	2000
Nova Scotia Power	1600
Saskatchewan Power	1272
Ontario Hydro	1250
<b>New Brunswick Power</b>	<b>1203</b>
Newfoundland Power	1191
Hydro Quebec	1054
British Columbia Hydro	1013
Manitoba Hydro	948
Alberta Power	791

<sup>(1)</sup> \$1 US = \$1.16 CDN

## TRANSPORTATION

### Ports:

The Port of Saint John, one of Canada's busiest and most efficient ports, is equipped with modern docking facilities and container terminals. There are seven other ports along New Brunswick's coast, five of which offer year-round deep water and bulk cargo handling services.

### Railway/Trucking:

New Brunswick is serviced by both major Canadian railways as well as major trucking lines offering overnight service to both Boston and Montréal. More than 4,400 kilometres (2,734 miles) of major highways and collector roads tie city to city and industry to market.

### Air Service:

Modern air services are provided to New Brunswick by Air Canada and its partner airline Air Nova as well as Canadian Airlines International with the Air Atlantic connector. Five major airports are serviced by daily jet passenger flights and two of these airports also handle all cargo flights of Air Canada.

New Brunswick's three major cities enjoy numerous flights daily to major destinations such as Ottawa, Boston, Halifax, Montréal and Toronto.

The city of Moncton (New Brunswick), is the geographic hub for the Atlantic Provinces, and has become a major centre for distribution and warehousing. Moncton has been designated as Air Canada's second major cargo shipping terminal in Canada.

### Freight Assistance:

Transportation assistance is provided under the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act. The assistance is paid directly to for-hire carriers in return for reducing their rates by amounts authorized by the National Transportation Agency.

The transportation assistance falls into three distinct parts which are:

- (1) **Intra-Regional Subsidy Program** which provides a 10% reduction in rates for the movement of an approved list of goods that have been manufactured or produced in the Select Territory (includes N.B., N.S., P.E.I., NFLD, and that part of Québec situated east of Levis and south of the St. Lawrence River) moving via rail, truck, air or water. This subsidy applies on shipments between the Select Territory;
- (2) **Basic Westbound Subsidy Program** provides a basic 30% subsidy on all goods moving via rail and truck from the Select Territory to a point in Canada outside the Select Territory.

This subsidy is calculated based on the portion of the distance in the Select Territory to the total distance of the shipment;

- (3) **Selective Westbound Subsidy Program** provides an additional 20% over and above the basic 30% westbound subsidy and applies only on a selective list of eligible commodities. The level of assistance is determined on the same **principle** as the basic westbound subsidy.

Additional commodity coverage is included periodically in response to applications from regional shippers.

Manufacturers and producers in the Atlantic Region should be aware of the significance of these programs in reducing transportation costs and enabling them to compete more effectively in Canadian markets.

## APPENDIX 1

### PERIODICALS

Trade periodicals offer a wealth of information. They help keep management in touch with trends and developments in the industry and provide information on new products and services. They often carry profiles of successful people and operations and offer business advice and solutions to common problems. Many trade publications publish an annual "buyers guide" listing suppliers of materials, products, and services used by the industry. The following is a list of some major clothing manufacturers' trade publications:

Accessories Resources  
Business Journal  
50 Day Street  
Norwalk, CT  
06856

Custom Tailor  
Custom Tailors  
17 E. 45 Street  
New York, NY  
10017  
Ph: (212) 661-1960

Bobin Show Directory  
American Apparel Manufacturers  
Association  
Suite 301, 2500 Wilson Boulevard  
Arlington, VA  
22201  
Ph: (703) 524-1864

Canadian Footwear Journal  
1 Pacifique  
Ste. Anne de Bellevue, Quebec  
H9X 1C5  
Ph: (514) 457-2577

Needle's Eye  
Union Special Corp.  
404 N. Franklin St.  
Chicago, IL  
60610  
Ph: (312) 669-5101

Children's Market  
Juvenile Productions Inc.  
#102, 411 Richmond St.E.  
Toronto, Ontario  
M5A 3S5  
Ph: (416) 362-7845

Fashion International  
FL Publishing Inc.  
184 E. 85 Street  
New York, NY  
10028  
Ph: (212) 289-0420

Knitting Times - Buyer's Guide  
National Knitware  
386 Park Avenue S.  
New York, NY  
10016  
Ph: (212) 683-7520

Mathew's & Co. (Wholesale Suppliers)  
10934 - 120 Street  
Edmonton, Alberta  
T5H 3P7  
Ph: (403) 452-7200

STYLE  
Style Communications Inc.  
#300, 85 Scarsdale Road  
Don Mills, Ontario  
M3B 2R2  
Ph: (416) 444-8407



Canadian Jeweller  
 Maclean Hunter Ltd.  
 Maclean Hunter Building  
 777 Bay Street  
 Toronto, Ontario  
 M5W 1A7  
 Ph: (416) 596-5972

Textile Manual  
 \* The Canadian Apparel Manufacturer  
 \* Canadian Textile Journal  
 CTJ-Inc.  
 1 Pacifique  
 Ste. Anne de Bellevue, Québec  
 H9X 1C5  
 Ph: (514) 457-2347

Salesman's Guide Inc.  
 \* Directory of Buying offices & Accounts  
 \* Nationwide Directory of Men's & Boy's Wear Buyers  
 \* Nationwide Directory of Women's & Children's Wear  
 \* Women's Coats & Suits Buyers  
 \* Women's Dress Buyers  
 1140 Broadway  
 New York, NY  
 10001  
 Ph: (212) 684-2985

CAMA Magazine  
 \* CAMA PARADE of Children's Fashion  
 \* Kidstyle International Buyer's Guide  
 8270 Mountain Sights, Suite 101  
 Montreal, Quebec  
 H4P 2B7  
 Ph: (514) 731-7774

Bobbin Media Corp.  
 \* BOBBIN Magazine  
 \* Suppliers Sourcing Directory  
 P.O. Box 1986  
 1110 Shop Road  
 Columbia, S.C.  
 29202  
 Ph: (803) 771-7500

## APPENDIX 2

### TRADESHOWS

Most industries hold tradeshow or exhibitions that serve at least one of the following purposes: they display the latest products and services offered by suppliers to the industry and give those involved a chance to see what is available and make supplier contacts; they also provide a forum to display and discuss new products, services and technological developments within the industry; and finally, tradeshow serve to increase clients contacts and sales. The following is a list of Canadian tradeshow related to the clothing manufacturers' industry:

Canada Juvenile Products Clothing Show  
411 Richmond St.E., Ste. 102  
Toronto, Ontario  
M5A 3S5  
Ph: (416) 362-7845

Canadian Womenswear Show  
Le Group Expositions Inc.  
Box 1317  
Place Bonaventure  
Montreal, Québec  
H5A 1H1  
Ph: (514) 871-9214  
Fax: (514) 871-9369

The Festival of Canadian Fashion  
21 Grenville Street  
Toronto, Ontario  
M4Y 1A1  
Ph: (416) 923-3557  
Fax: (416) 923-5624

National Apparel Technology Show  
P.R. Charette Inc. Ontario  
#206, 5890 Monkland Avenue  
Montreal, Québec  
H4A 1G2  
Ph: (514) 489-9671  
Fax: (514) 489-7227

Canada Kidswear Show  
411 Richmond St.E., Ste. 102  
Toronto, Ontario  
M5A 3S5  
Ph: (416) 362-7845

Fashion Markets Alberta  
10403 - 172 Street, Ste. 300L  
Edmonton, Alberta  
T5J 1K9  
Ph: (403) 484-7541

Manstyle, A Celebration of  
Men's Fashion  
501 Oakdale Road  
Downsview, Ontario  
M5N 1W7  
Ph: (416) 746-7360  
Fax: (416) 746-1421

Ontario Fashion Exhibitors  
Fashion Exhibitors Inc.  
Suite 312, 22 Leader Lane  
Toronto, Ontario  
M5E 1S3  
Ph: (416) 363-2401  
Fax: (416) 363-9669

The United States Trade and Tourism Development Division of Department of External Affairs and International Trade publishes "A Guide To Apparel Trade Shows In The United States". Copies are available free of charge by writing to:

Attn: Marketing Officer  
United States Trade and Tourism  
Development Division  
Department of External Affairs  
125 Sussex Drive  
Ottawa, Ontario  
K1A 0G2

**APPENDIX 3****ASSOCIATIONS****Advisory Committee Cloak & Suit Industry**

444 Adelaide St. W. Top Flr.

Toronto, Ontario

M5V 1S7

(416) 368-8899

**Advisory Committee Ladies' Dress & Sports Wear Industry**

444 Adelaide St.W.

Toronto, Ontario

M5V 1S7

(416) 364-2111

**Advisory Committee Men's and Boys' Clothing Industry**

3089 Bathurst St. Ste. 317

Toronto, Ontario

M6A 2A4

(416) 789-4579

**Alberta Fashion Market**

Admin: Joyce Romanyshyn

10403-172nd St #300L

Edmonton, Alberta

T5S 1K9

(403) 484-7541

**Amalgamated Clothing and Textile Workers Union**

15 Gervais Dr. #601

Don Mills, Ontario

M3C 1Y8

(416) 441-1806

**Apparel Manufacturers Association of Ontario**

789 Don Mills Rd. Ste.700

Toronto, Ontario

M3C 3I6

(416) 429-7184

**Apparel Manufacturers Institute of Québec**

555, rue Chabanel Ouest, bur.801

Montréal, Québec

H2N 2H8

(514) 382-3846

**Associated Clothing Manufacturers of the Province of Québec**

555, Chabanel St. W., bur.801  
Montréal, Québec  
H2N 2H8  
(514) 382-3846

**British Columbia Apparel Manufacturers Association**

99 E.Cordova St.  
Vancouver, B.C.  
V6A 1K4  
(604) 685-5322

**B.C. Fabricare Association**

332-650 W. 41 Avenue  
Vancouver, British Columbia  
V5Z 2M9  
(604) 732-1281

**B.C. Fashion & Needle Trade Association**

1007-700 W. Pender  
Vancouver, British Columbia  
V6C 1G8  
(604) 685-8131

**Calgary Fashion Council**

508, 15th Avenue S.W.  
Calgary, Alberta  
T2R 0R2  
(403) 228-3237

**Canadian Allied Textile Trades Association**

Alex Hardy, Sec.-Treasurer  
c/o S. Godfrey & Co. Ltd.  
49 Front St. E.  
Toronto, Ontario  
M5E 1B3  
(416) 363-4266

**Canadian Apparel Manufacturers Institute**

116 Albert St. Ste. 803  
Ottawa, Ontario  
K1P 5G3  
(613) 231-3220

**Canadian Association of Textile Colourist and Chemists  
(Ont. Section)**

c/o S. Phipps, Secretary  
150 Marlborough Ave.  
Kitchener, Ontario  
M2N 1H8

**Canadian Glove Manufacturers Association Ltd.**

P.O. Box 133, Station A  
Hamilton, Ontario  
L8N 3A2  
(416) 525-5637

**Canadian Ladies Fashion Institute**

444 Adelaide St W, Main Floor  
Toronto, Ontario  
M5V 1S7  
(416) 363-1066

**Canadian Manufacturers Association**

1330-1100 Melville Street  
Vancouver, B.C.  
V6J 3S9  
(604) 736-6511

**Canadian Shirts Manufacturers Association**

536 Horner Av.  
Toronto, Ontario  
N8Z 4X3  
(416) 252-6231

**Canadian Standards Association (CSA)**

5760 Minoru Boulevard  
Richmond, B.C.  
V6X 2A9  
(604) 273-4581

**Canadian Trimmings Manufacturers Association**

555 Chabanel St. W #801  
Montréal, Québec  
H2N 2H8  
(514) 382-2846

**Canadian Textile Institute**

Mr. Eric Barry, President  
280 Albert St. Ste.502  
Ottawa, Ontario  
K1P 5G8  
(613) 232-7195

**Centre de développement des industries de la mode**

555, rue Chabanel O #800  
Montréal, Québec  
H2N 2H8  
(514) 384-9760

**Children's Apparel Manufacturers Association**

8270, av. Mountain Sights, bur. 101  
Montréal, Québec  
H4P 2B7  
(514) 731-7774

**Craft Association of B.C.**

1386 Cartwright Street  
Vancouver, B.C.  
V6R 3R8  
(604) 687-6511

**Edmonton Fashion Council**

#591, 21-10405 Jasper Ave.  
Edmonton, Alberta  
T5J 3S2  
(403) 452-5861

**Fashion Council of Calgary**

1106 4th St. SW  
Calgary, Alberta  
T2R 0X6  
(403)266-5867

**Garment Manufacturers Association of Western Canada**

435 Ellice Av  
Winnipeg, Manitoba  
R3B 1H6  
(204) 942-7314

**Institute of Textile Science**

1, rue Pacifique  
Ste-Anne-de-Bellevue, Québec  
H9X 1C5  
(514) 457-2347

**Manitoba Fashion Institute**

435 Ellice Av. #210  
Winnipeg, Manitoba  
R3B 1Y6  
(204) 942-7314

**Men's Clothing Manufacturers Association Inc.**

555, rue Chabanel ouest, bur.801  
Montréal, Québec  
H2N 2H8  
(514) 382-3846

**Men's Clothing Manufacturers Association of Ontario**

789 Don Mills Road, Ste. 700  
Toronto, Ontario  
M3C 3L6  
(416) 429-7184

**Montreal Clothing Contractors Association Inc.**

555 Chabanel St. W #801  
Montréal, Québec  
H2N 2H8  
(514) 382-3846

**National Apparel Bureau Québec Ltd.**

3442, rue Stanley  
Montréal, Québec  
H3A 1G2  
(514) 845-8135

**Ontario Fashion Exhibitors Inc.**

22 Leader Lane #312  
Toronto, Ontario  
M5E 1S5  
(416) 363-2401

**Prairie Apparel Market**

331 Smith St. #167  
Winnipeg, Manitoba  
R3B 2G9  
(204) 942-2060

**Québec Fashion Apparel Manufacturers' Guide**

Mr. Philip Beau, Exec. Director  
9250, av. du Parc, bur.300  
Montréal, Québec  
H2N 1Z2  
(514) 384-3800

**Québec Outerwear Knitters Association Inc.**

9200 Meilleur St., 4th Floor  
Montréal, Québec  
H2N 2B1  
(514) 382-5680

**Rainwear and Sportswear Manufacturers Association**

555 Chabanel St. W #801  
Montréal, Québec  
H2N 2H8  
(514) 382-3846



**Retail Merchants Association**

1975 Maple Street  
Vancouver, B.C.  
V6J 3S9  
(604) 736-0368

**Shirts Manufacturers Guild**

1080 rue Charette  
Joliette, Québec  
J6E 3P2  
(514) 753-7383

**Textile Federation of Canada**

Adrienne Chinn, Exec.Secretary  
1, rue Pacifique  
Ste-Anne-de-Bellevue, Québec  
H9X 1C5  
(514) 457-2347

**Toronto Cloak Manufacturers Association**

444 Adelaide St. W.  
Toronto, Ontario  
M5V 1S7  
(416) 368-9001

**Toronto Dress and Sportswear Manufacturers' Guild, Inc.**

444 Adelaide St. W.  
Toronto, Ontario  
M5V 1S7  
(416) 363-1066

**The Wool Bureau of Canada**

33 Yonge St. Ste. 820  
Toronto, Ontario  
M5E 1G4  
(416) 361-1440

**United Garment Workers of America-Eastern Canada**

500 King St. #230  
Toronto, Ontario  
M5V 1L9  
(416) 368-9841

**United Garment Workers of America-Western Canada**

331 Smith St. #351  
Winnipeg, Manitoba  
R3B 2G9  
(204) 942-7843

**Wam-Western Apparel Markets (B.C.)**

Suite 28 - 910 Mainland Street  
Vancouver, B.C.  
V6B 1A9  
(604) 682-5719

**Western Apparel Market**

910 Mainland St. #28  
Vancouver, BC  
V6B 1A9  
(604) 682-5719

**Western Canada Children's Wear Market**

138 Portage Av. E #304  
Winnipeg, Manitoba  
R3C 0A1  
(204) 943-7568

**Western Canada Designers and Fashion Association**

518 Beatty St #503  
Vancouver, BC  
V6B 2L3  
(604) 689-7677

**Western Canadian Designers & Fashion Association**

503 - 518 Beatty Street  
Vancouver, B.C.  
V6B 2L9  
(604) 689-7677

## APPENDIX 4

**The preceding information was obtained from the following sources:**

- The Apparel Manufacturers' Association of Ontario
- Alberta Economic Development and Trade  
Business Counselling and Development
- Ministry of International Business & Immigration  
Province of British Columbia
- Business Centre, Communications Branch  
Industry, Science and Technology Canada
- Ministry of Industry, Trade and Technology  
Government of Ontario
- Department of Commerce and Technology  
Government of New Brunswick
- Canadian Apparel Manufacturers Institute
- Manitoba Industry, Trade and Tourism
- Labour Canada
- British Columbia Trade Development Corporation
- Statistics Canada
- Canadian Textile Institute

## APPENDIX 5

**This profile of the Canadian Apparel Industry uses the following information from the Statistics Canada SIC listings:**

### **24 - CLOTHING INDUSTRIES**

243	MEN'S & BOY'S CLOTHING INDUSTRIES
2431	MEN'S & BOY'S COAT INDUSTRY
2432	MEN'S & BOY'S SUIT & JACKET IND.
2433	MEN'S & BOY'S PANTS INDUSTRY
2434	MEN'S & BOY'S SHIRT & UNDERWEAR IND.
2435	MEN'S & BOY'S CLOTHING CONTRACTORS
244	WOMEN'S CLOTHING INDUSTRIES
2441	WOMEN'S COAT & JACKET INDUSTRY
2442	WOMEN'S SPORTSWEAR INDUSTRY
2443	WOMEN'S DRESS INDUSTRY
2444	WOMEN'S BLOUSE & SHIRT INDUSTRY
2445	WOMEN'S CLOTHING CONTRACTORS
245	CHILDREN'S CLOTHING INDUSTRY
2451	CHILDREN'S CLOTHING INDUSTRY
249	OTHER CLOTHING & APPAREL INDUSTRIES
2491	SWEATER INDUSTRY
2492	OCCUPATIONAL CLOTHING INDUSTRY
2493	GLOVE INDUSTRY
2494	HOSIERY INDUSTRY
2495	FUR GOOD INDUSTRY
2496	FOUNDATION GARMENT INDUSTRY
2499	OTHER CLOTHING & APPAREL INDS. NEC.

**This profile of the Canadian Apparel Industry does not include information from the following Statistics Canada SIC listings:**

### **17 - LEATHER & ALLIED PRODUCTS INDS.**

171	LEATHER & ALLIED PRODUCTS INDS.
1711	LEATHER TANNERIES
1712	FOOTWEAR INDUSTRY
1713	LUGGAGE, PURSE & HANDBAG INDUSTRY
1719	OTHER LEATHER & ALLIED PRODUCT INDS.

